

WORLD TRADE ORGANIZATION
AGRICULTURAL LISTENING SESSION

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Agricultural Listening Session before the
World Trade Organization, held at the University of
Vermont, Ira Allen Chapel, on July 19, 1999, beginning at
8:00 A.M.

Moderator: Ron Allbee

Panel:

August Schumacher, Undersecretary
Bob Cummings, USTR
Paul Aceto, U.S. State Department
Commissioner Nathan Rudgers, NY
Commissioner Leon Graves, VT

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1 MR. ALLBEE: Good morning. Good
2 morning. Welcome to the Listening Session.
3 My name is Ron Allbee. I want to thank
4 University of Vermont, the Vermont State
5 Agriculture Department, and particularly
6 Steve Justis from the Agriculture Department
7 that's helped coordinate the session.

8 We will start this morning with Mr. Leon
9 Graves. Commissioner Graves prior to becoming
10 a Commissioner served as a State Senator in
11 the Vermont Legislature. Prior to that he was
12 a representative. During that time he was a
13 dairy farmer, Commissioner of Agricultural for
14 the State of Vermont. Commissioner Graves.

15 MR. GRAVES: Thank you, Ron. Good
16 morning.

17 It's my pleasure to be here to host this
18 Listening Session on behalf of the New England
19 states and the State of New York to provide a
20 very important opportunity for input into the

21 next negotiating session for the WTO, which
22 will be held in Seattle in November.

23 I would like to begin by thanking my
24 staff at the Department of Agriculture, and
25 specifically Steve Justis for his work and for

1 collaborating very nicely with FSA, with Ron
2 Allbee as the State Director and his staff as
3 well as the staff from USDA, Department of
4 Agriculture and FSA as well.

5 I would also like to thank Gus
6 Schumacher for being here as the Under-
7 secretary for the USDA to take testimony
8 today, invites very important information to
9 us relative to agricultural trade in this
10 country, and our U.S. trade representatives
11 for being here to take this important
12 testimony as well.

13 Exports are critical to the success of
14 the northeast and to the United States
15 farmers. The success of American farmers
16 depends upon exports. One-third of U.S. farm
17 production is now grown for overseas markets.
18 That opportunity for the removal of product
19 from this production chain is continuing to
20 decline. It's something that really needs to

21 be addressed in the next round of WTO

22 negotiations.

23 Agricultural product exports from

24 Vermont exceed \$100 million annually. It is

25 critical that we make access to current

1 markets and reduce trade barriers to potential
2 markets. Here in the State of Vermont and in
3 the northeast, we continue to utilize market
4 access program funds through the integral
5 efforts between our state and regional trade
6 organizations, through Food Export USA
7 Northeast, and your own State Department of
8 Agriculture that continue to provide
9 opportunities for moving products abroad and
10 clearing the markets here.

11 However, if our farmers and exporters
12 experience trade barriers, it inhibits their
13 ability to compete in the international
14 markets.

15 Today, under the current farm bill and
16 the pricing provisions in the current farm
17 bill, farm gate prices of major commodities
18 are continuing to decline. With milk at \$12 a
19 hundred weight or less, hogs at \$20 or less,
20 corn below, record low wheat and cotton

21 prices, farmers are forced into an
22 unacceptable situation of selling quantities
23 at levels well below the cost of production.
24 Congress' response to those concerns
25 expressed during the farm bill debate was to

1 plant fence row to fence row, any or all of
2 the crop that you wanted, that we would find
3 markets for them to continue to support the
4 prices at the international level.

5 Well, it hasn't happened due to a number
6 of reasons. Farm production continues to rise
7 while prices continue to fall, with ever
8 increasing stocks in storage.

9 I only raise these issues as an
10 opportunity to point out the sense of urgency,
11 importance and responsibility on our trade
12 negotiators in the upcoming Seattle round of
13 WTO negotiations.

14 I would like to quote briefly from a
15 U.S. Senate "Dear Colleague" letter to the
16 United States Senate dated July 13th to
17 indicate the significance of this issue. And
18 I quote, "History has demonstrated that the
19 United States can successfully negotiate
20 liberalization in agriculture only in

21 combination with improved results in other
22 sectors. The U.S. farm community has
23 overwhelmingly endorsed this single
24 undertaking approach. For reasons that have
25 yet not been explained, USTR considered this

1 week tabling a paper in Geneva that would have
2 departed from this longstanding principle and
3 would have indicated U.S.'s willingness to
4 incorporate an early harvest or early results
5 concept in the next round. This would have
6 meant potentially concluding negotiations in
7 other sectors before there was a successful
8 conclusion of the agriculture negotiations.
9 For us and for American agriculture, that is
10 unacceptable." And I could not agree more.
11 End of quote.

12 Agriculture must be negotiated with
13 other issues as a package. USDA must make
14 every attempt to gain much needed concessions
15 on agricultural issues before conceding on
16 non-agricultural issues. We must be willing
17 to play hard ball with our trading partners if
18 we are ever going to level the playing field
19 and increase U.S. market profitability.

20 I have the good fortune to return Friday

21 from a trilateral U.S., Canadian, Mexican
22 trade meeting that was conducted in Salt Lake
23 City, Utah and I would like to add a few
24 issues that were considered, discussed and
25 agreed upon at that trilateral meeting in

1 preparation for input to the WTO round of
2 negotiations in Seattle.

3 Agricultural representatives of 44
4 states and provinces from the three NAFTA
5 countries met at the States-Provinces
6 Agricultural Accord in Salt Lake City, July
7 15th and 17th. The key objective was to
8 develop common positions for the upcoming WTO
9 negotiations that will provide increased
10 potential for the profitability and long-term
11 viability of our producers.

12 Our countries must adopt a negotiating
13 strategy that makes agriculture the highest
14 priority for the upcoming WTO round.
15 Negotiating strategies that leave the
16 difficult agriculture issues unresolved will
17 be detrimental to the future growth and
18 prosperity of the agricultural industries in
19 all three countries. Any WTO agreement that
20 does not include substantial improved rules in

21 agricultural trade will be judged a massive
22 failure by our farmers and ranchers.
23 We urge you to utilize the
24 recommendations as you work to finalize your
25 negotiating strategy:

1 The sanitary/phytosanitary, commonly
2 referred to as SPS, chapter should remain
3 intact and closed for further negotiation.
4 However, the process supporting SPS must be
5 strengthened and effectively enforced in order
6 to ensure WTO member compliance. Improvements
7 and efficiency of the WTO dispute settlement
8 mechanism are required in order to ensure
9 these issues are resolved and enforced in a
10 timely manner. Too often, scientifically
11 unfounded SPS and technical issues have been
12 used to deny market access for our respective
13 nations' agricultural products, continued
14 successful use of export, erode competitive
15 and profitability. Therefore, we urge you to
16 work toward the elimination of all the record
17 subsidies and pursue the substantive and
18 progressive reduction of trade and production
19 this organization supports worldwide.
20 Food safety is a primary concern of the

21 agricultural industries and consumers of the
22 three countries. With this in mind, we urge
23 intensified efforts to educate and inform
24 consumers and regulators on scientifically-
25 based issues surrounding technology.

1 International regulatory measures must be
2 based on sound scientific principles and
3 approval procedures for genetically enhanced
4 products must be effective in ensuring safety.
5 These procedures should not be used as a trade
6 barrier.

7 The international harmonization of
8 pesticide and animal drug usage and standards
9 must also be a priority. We must work to
10 harmonize to the highest possible standards.

11 The issues outlined above are paramount
12 to the continued viability of our agricultural
13 industries. As you finalize preparations for
14 the WTO negotiations, it is crucial that you
15 extend every effort to improve our trading
16 position and create an environment that
17 affords increased market opportunities for our
18 producers.

19 This input will be sent to our USDR,
20 USDA trade representatives and will be signed

21 by Cary Peterson, the President of the
22 National Association of State Departments of
23 Agriculture, Jaime Rodriguez Lopez, who is
24 President of the Mexican Association, and Eric
25 Upshall, Chair of Provincial Ministers of

1 Agriculture, Canada.

2 Any decisions that are made must be made
3 with farm profitability in mind. Our farmers
4 in this country at the present time are on the
5 verge of financial collapse, with a
6 significant number due to exit the business
7 within the next several months. This can and
8 will lead to further concentration, vertical
9 integration, and the demise of our family
10 farms, the backbone of American agriculture.

11 You have a real challenge ahead of you
12 in the future and I look forward to being able
13 to participate and have input into that
14 debate.

15 Thank you very much.

16 MR. ALLBEE: Thank you, Mr. Graves.

17 It's my pleasure to introduce Mr. Paul
18 Aceto, USDOS. Paul has worked in the office
19 of the Agricultural Trade and Policy Programs,
20 U.S. Department of State since 1997. His

21 responsibilities include the issues related to
22 the WTO food aid sanctions and U.S. tobacco
23 policy. He has been with the state since
24 1985. He is from Upstate New York.
25 Thank you, Paul.

1 MR. ACETO: Thank you. And let me thank
2 the State of Vermont for setting up this
3 meeting. I think everyone is coming today to
4 testify.

5 I think what I can do is just briefly
6 explain or answer the question in several
7 sessions that I've attended, which is; why is
8 the State Department up here?

9 There is an easy answer to that, is that
10 the State Department is supposed to represent
11 the American interests overseas. And that
12 includes farm interests, includes ranchers'
13 interests, includes, quite frankly, the
14 interests of anybody in this room here today,
15 for us to do a good job, to know what the
16 concerns are and what the interests are. So,
17 that's the primary reason we are taking part
18 in the programs.

19 We also will be working very closely
20 with the USDA in negotiations to a certain

21 extent. We will have troops in the field. We
22 have ambassador people at our embassy who we
23 hope to be able to get us some objectives to
24 -- in other countries are seeking to resolve
25 some of the issues and hopefully have a very

1 successful negotiation.

2 So, with that, I just thank everyone for
3 coming and I look forward to hearing your
4 comments.

5 MR. ALLBEE: Thank you. I would like to
6 next introduce Mr. Bob Cummings. Bob is the
7 senior economist at U.S. Trade
8 Representative's Office of Agricultural
9 Affairs where he has responsibilities for a
10 broad range of trade policy issues. He has
11 worked on the agricultural trade policy issues
12 at USDA's Foreign Agriculture Service and
13 Economic Resource Service. He has also served
14 on the staff of the Senate Agricultural
15 Committee.

16 Thank you.

17 MR. CUMMINGS: Thank you very much. And
18 I also would like to thank the Department of
19 Agriculture of Vermont. I thank you very
20 much.

21 We are here to listen this morning, so
22 I will not spend all my time doing that. But
23 just a brief comment that really goes to the
24 basic principles of agricultural trade policy,
25 which are really the principles of opportunity

1 and fairness and respect for science.

2 As a Commissioner, agriculture is very
3 much dependent on the exports and what we are
4 looking for is the opportunity to sell to the
5 96 percent of the world population that lives
6 outside of the United States, and that's
7 really our focus at USTR. Producers also
8 depend, besides access, on certain impartial
9 enforcement of trade laws and subsidies and
10 also to protect against import services. And
11 exporters and consumers alike, inspection
12 regime to ensure competence in the body and to
13 make sure they are not created in the trade
14 barriers.

15 We brought agriculture into the world
16 trading system in 1995. We have made
17 significant progress in the areas of market
18 access. We have made some progress on export
19 subsidies and also on the trade domestic
20 export regimes. But we have much, much more

21 work to do. And that really underlies the
22 goals for the new negotiations which we
23 started in Seattle this year.

24 I want to emphasize here that
25 agriculture is really at the heart of these

1 negotiations and we are committed and the
2 other members are committed in the early round
3 to further work on agriculture. And that's
4 what we are going to do in the next round. We
5 are preparing to look for in Geneva some
6 proposals that we would like to see happen in
7 the next negotiations and these will focus on
8 improvements in market access and elimination
9 of export subsidies, respect on a scientific
10 basis for assessing new technologies in
11 agriculture, and also some disciplines,
12 putting some disciplines on state trading
13 enterprises and how they affect agricultural
14 imports and exports. And so sessions like
15 this that we have attended are very important
16 for us to get as we move increasingly to
17 becoming more specific about what we want to
18 achieve in the next rounds.

19 So, I appreciate the opportunity for
20 being here and I look forward to hearing from

21 you today.

22 Thank you very much.

23 MR. ALLBEE: Thank you.

24 Mr. Schumacher, prior to becoming

25 Undersecretary of the Farm Service Agency, he

1 served with the World Bank. And prior to
2 that, in 1985 to 1990, he served as
3 Commissioner of Agriculture of one of our
4 sister states, Massachusetts. Welcome him
5 here today. And thank you.

6 MR. SCHUMACHER: Do you want to hear
7 from Nathan before I start from New York?

8 MR. ALLBEE: I think that's -- that
9 would be fine.

10 I'm sorry. Nathan Rudgers from New
11 York, Commissioner.

12 COMMISSIONER RUDGERS: I'm from the
13 small state to the west, New York. Good
14 morning. Thank you very much for the
15 opportunity.

16 My name is Nathan Rudgers. I'm
17 Commissioner of Agriculture from New York
18 State. I wanted to welcome Paul, who turns
19 out to be my neighbor, actually, from near
20 Schenectady, New York.

21 Gus, you're a legend. It's a pleasure
22 to meet you and Bob. And I would also like to
23 thank and commend U.S. Secretary of
24 Agriculture, Dan Glickman and Charlene and
25 their representative agencies for organizing

1 these listening sessions.

2 Thanks also, Commissioner Leon Graves,
3 the Vermont Department of Agriculture for
4 their part in hosting this session. Like
5 Leon, I also just returned from the meeting to
6 prevent (inaudible) this was a gathering of
7 agricultural representatives from 44 states
8 and provinces of Canada, the United States and
9 Mexico. The accord was able to come to
10 agreement on positions for the upcoming World
11 Trade Organization negotiations, positions
12 that will guide the WTO and guide increased
13 probability and long-time viability of Vermont
14 -- New York's 36,000 agricultural producers.
15 I'm honored, therefore, to have this
16 opportunity to address this distinguished
17 panel, speaking from the accord.

18 Suggestions. I urge you to refrain from
19 using these listening sessions to glean
20 solutions to easy trade issues, leaving the

21 difficult agricultural issues unresolved.

22 Quoting a joint letter to this body, which you

23 already heard, this strategy will be

24 detrimental to the future growth and

25 prosperity of agricultural industries in

1 different countries if WTO does not include
2 substantially improved rules and agricultural
3 trade will be judged a massive failure by
4 farmers and ranchers. To the point of
5 (inaudible) a complete letter into the record
6 already.

7 I am from New York, a very diverse state
8 and a state that has agricultural trade
9 issues similar to the midwest. About one in
10 every two rows of soybeans grown in New York
11 is exported. We also export agricultural
12 products, products like apples and like wine.
13 And although it is not normally thought of as
14 an agricultural product, we export significant
15 amounts of things like bagels, and these are
16 specific and significant economic impacts on
17 New York State.

18 New York State has provided interest in
19 the outcome of these negotiations. Our state
20 is home to a large and diverse group of

21 industries. Our farmers generate millions of
22 dollars in farm gate sales each year, hundreds
23 of food manufacturers and processors for \$15
24 billion worth of food products like fresh and
25 processed fruits and vegetables, dairy

1 products, baked goods, beverages, meat and
2 poultry products. The international harvest
3 is critical to our industry's continued
4 success.

5 In our industry in New York, to grow, it
6 is essential that the upcoming negotiations
7 produce results that afford our producers and
8 processors fair treatment in the world
9 marketplace. Our negotiators must enter these
10 and determine -- with the determination on a
11 level playing field for U.S. exporters.

12 Despite the perceived size of the food
13 industry, the majority of producers and food
14 manufacturers New York are small businesses.
15 We tell them that the future is the
16 international markets. When they make an
17 effort to export, they find a very -- many
18 companies, especially new to exporting, small
19 firms, simply don't have the resources to deal
20 with some of the issues they face. They

21 become discouraged and too often throw up
22 their hands and concede defeat. Other
23 producers find it difficult and, frankly,
24 unfair to have to compete against heavily
25 subsidized exports, especially those from the

1 European group. If all other countries live
2 up to the spirit of the VTO, we can move
3 closer toward resolving these problems.

4 New York is a target for heavy food
5 products, commodity from around the world. We
6 welcome these products, enjoy the diversity
7 and are more than willing to compete with
8 their producers for market share. But that is
9 also what we look for in the international
10 marketplace, fair and equal treatment. Our
11 producers should not be expected to compete
12 openly in their own backyards with competitors
13 from around the world while at the same time
14 being unfairly shut out of export markets.

15 For example, free trade must be sought
16 in apples, which are currently excluded, and
17 in the dairy products, which were similarly
18 excluded. Our challenge for negotiations is
19 to establish equal footing for competitors in
20 the marketplace. Unreasonable tariffs,

21 non-tariffed rate barriers, unreasonable
22 subsidies and unwarranted and scientifically
23 based need to be eliminated from our food and
24 agricultural industry as we move into the next
25 century.

1 Thank you very much.

2 MR. ALLBEE: I just want to make one
3 comment concerning Undersecretary Schumacher.
4 Back in the '80s Gus was very instrumental in
5 helping to establish the Compact, which has
6 served the dairy farmers well in New England
7 and part of New York. And he also
8 participated in establishing the food coupon
9 program for farmers markets and just learned
10 last night (inaudible) thank you.

11 MR. SCHUMACHER: It's very good to be
12 back and see many friends and colleagues. And
13 now what we are going to do is to be very
14 clear we are going to take a few minutes, not
15 very long, we would like to hear from you. We
16 aren't here to talk. Many of you don't agree
17 with some of the work we are doing and we want
18 to hear that as well. And that's very
19 important because this is one of 12 of the
20 sessions throughout the country I will be

21 going forward myself and we will probably hear
22 from three or four thousand farmers around the
23 country. This has not been done before in
24 trade, most of the trade that we have done
25 from the Washington lobbyists, lobby groups in

1 fancy suits. We want to hear from farmers who
2 are working.

3 We are hearing a diversity of opinion
4 from agricultural, from producers, from folks
5 who are dependent on trade and for those who
6 feel that they are not benefitting from the
7 trade or don't want to benefit from the trade.

8 We are looking forward to hearing your
9 comments today. We'll be very brief.

10 It's also great to see a number of
11 farmers that are familiar. I want to thank
12 you (inaudible) a number of dairy farmers.
13 Yesterday we went through a number of issues
14 on dairy and went over and visited some of the
15 apple growers to hear some of their concerns
16 as well.

17 I just heard from the State of
18 Washington on Friday. They are in a terrible
19 condition. And I think that's one of the
20 issues we are facing. If you work in, Leon

21 and Nathan, to the next round of WTO, we are
22 facing some of the greatest prices of American
23 agriculture in decades. I travel around every
24 weekend somewhere. We are seeing the lowest
25 soybean prices in three decades, lowest corn

1 prices in a decade. We are seeing cotton
2 prices with low production. We are seeing
3 pork prices wherein last December you could
4 buy a ham, a small ham in the supermarket
5 paying more than what the farmers are making
6 for the whole hog. And the prices now went up
7 a little bit, now they are coming back.

8 So, we are in -- the apple prices are
9 low on a commercial basis. We are going into
10 the next round with American agricultural an
11 island of despair in a sea of national
12 prosperity. That's why it's very important to
13 hear how we work out of this dilemma because
14 we are so dependent on trade. We need to do a
15 number of things that Nathan and Leon, Paul
16 said because we are facing a number of
17 barriers, including our friends to the north.
18 It's cheaper for you to send your milk to
19 Montreal by truck than Boston. You think it's
20 terrific but it would be nice to have a little

21 milk going to Montreal and Quebec as well, a
22 little closer than 81 and 93. So, that's one
23 of the things that we will work hard in the
24 next round to make sure the northeast includes
25 market to our great friendly neighbor to the

1 north.

2 What I want to do now is take really no
3 more than five or six minutes and do a little
4 scene setter on where we are on trade. Go to
5 the first -- I will go very quickly through
6 this. These are available on the Internet and
7 they are available to those that wish to have
8 it.

9 First of all, as Nathan said,
10 agriculture is very dependent on local
11 markets. In 1996 we had 60 billion farmers
12 around the country doing very, very well;
13 record farming, record exports. Land prices
14 were high. So, very, very important. Also,
15 we will talk a little about the role of trade
16 agreements and, moving this along, and most
17 important; what should our negotiations
18 comprise in the next rounds of WTO? As I
19 mentioned, you know, it's quite unfortunate
20 and your comments that the jobs of New York

21 State (inaudible) in exports. But we,
22 especially in many parts of the country, we
23 don't survive unless we export.

24 Next? You see here why is it so
25 important. Because 26 percent of the

1 agricultural economy depends on international
2 trade compared to manufacturing, about 11
3 percent. So, we are very universal around the
4 country with exports. And, Steve, you saw in
5 terms of our northeast how important exports
6 are. If you get exports up a bit more, we can
7 do a little bit better.

8 Long-term trends look positive. 96
9 percent of the people overseas, incomes are
10 growing once the Asian economy comes back.
11 But how we are going to get from here to
12 there, especially from this year to next year
13 and the year after? That's the question.

14 This is a business slide. I'll just go
15 through this. Some commodities are -- 80
16 percent of our production goes overseas,
17 almonds, walnuts. When you sell at the highs,
18 65 percent of those highs were overseas, and
19 car seats and others, so we are very
20 dependent. You can see some of the --

21 soybeans, \$6 billion, forest -- that's one
22 thing we are going to talk about here,
23 testifying in Vermont. But your industry is
24 very dependent on exports by truck to Montreal
25 and get shipped out and not value added. Red

1 meats, you can see how important all these
2 different products are.

3 Next. Now, another big issue is you can
4 see that farm equity, the land prices track
5 very closely to exports. So, back in the late
6 '70s you can see farm equity went way up
7 because exports were way up. And you can see
8 the trend on the yellow line sort of tracking
9 the red line. That's why I'm pretty concerned
10 as we face lax market prices what's going to
11 happen to farm equity, particularly in the
12 midwest. It's very helpful to us in the
13 northeast. Soybean prices are a little light,
14 as we should say. It's helpful to the
15 northeast livestock interest. There has got
16 to be a little bit more balance between the
17 volatility there.

18 And this is similar. You can see the
19 (inaudible) traditionally we are in a surplus
20 situation of food. We export far more than --

21 substantially more than we import. There is
22 also a trade. But you can see at the
23 right-hand side that our imports, they keep
24 growing and growing on a steady basis and
25 there is a bit more volatility in our exports,

1 so we need to smooth that out, particularly on
2 more value added, as Nathan was saying,
3 exports there.

4 Next one, Catherine. Now, this is where
5 we get into the nitty-gritty. You can see the
6 different trade agreements we have done in the
7 Uruguay round when fully implemented will
8 contribute over \$6 billion of exports that
9 weren't there before. NAFTA, only \$3 billion,
10 and NAFTA has worked very well for us in
11 Mexico, not as well as here in the northeast.
12 We need to do a little better. What happens
13 -- we haven't quite got there in apples. But
14 NAFTA -- Mexico has really been terrific in
15 the last two or three years across a range of
16 products.

17 And then some of the other issues, we
18 have taken Japan beef and citrus. This is a
19 very busy slide but you can see the importance
20 of NAFTA to U.S. foods. If we didn't have the

21 NAFTA agreement, we would be in even deeper
22 trouble than we are now, especially with dairy
23 products, in some of the dairy products.
24 Steve has done a wonderful job promoting
25 Vermont cheeses down in Mexico and they are

1 becoming more popular in that country. But
2 Mexico is generating at least over \$6 billion
3 in exports. Again, about 6 billion. NAFTA
4 together are leading single export markets for
5 American foods, passing ham for the first time
6 this year.

7 These are the background. The general
8 agreement on tariffs, which is 48. This was
9 then supplanted by the WTO completed in '94.
10 And we are going to start a 3 -- negotiation,
11 the next round, we hope to get it done in
12 three years. We are looking forward to
13 hearing from you on what should be in that
14 package.

15 We have a broad range of -- we are
16 doubling the number of farmers that come to
17 us. We have a State Department -- Paul will
18 be bringing other people in from the
19 Environmental Labor to make sure (inaudible)
20 that's a very important issue for us, that we

21 have a balanced delegation to counsel us
22 there. And this will go on, then, hopefully
23 for no more than three years to wind this up.
24 Key issues; market access, for example,
25 dairy and poultry, export subsidies, the EU.

1 85 percent of the world export subsidies are
2 from the European Union. Very small number,
3 85 percent.

4 Domestic subsidies and sanitary issues,
5 particularly food safety. We had a good
6 suggestion this morning on that issue. We are
7 going to be reducing tariffs in the next
8 round.

9 Next slide. And you can see the export
10 subsidies looks like the old Pacman games
11 where the EU is gobbling us up. But it's
12 true, we need to get those export subsidies
13 down. It's terribly distorted. It hurts you
14 as dairy farmers here and it hurts our overall
15 trade. So, a major effort in that regard.
16 And you can see the domestic subsidy as well,
17 the EU gobbling us up. The yellow is the
18 small amount that we put in, more this year,
19 certainly less than 10 billion. Look at EU,
20 80 million. So, those are our major

21 objectives.

22 And I'll conclude with the next final

23 one. Catherine?

24 You want substantial tariff reductions.

25 Eliminate Packman in Europe. We want tight

1 rules on domestic support. We want to reform
2 state treaties in the process, and especially
3 Canadian Wheat Board and the Australian Wheat
4 Board. We need to improve and access and
5 implement the tariff rate quotas. We need to
6 facilitate trade in new technology products.

7 When I say very carefully on the Packman
8 eating us up, we welcome comments afterwards.
9 We won't make any response right now. It's
10 very nice to say you want to make sure you
11 don't get too far out of the way, although
12 they do have 85 percent.

13 So, I think that's the -- I'll conclude
14 with that and we look forward now to hearing
15 from you for the rest of the day. We are
16 hoping -- we have a number of speakers. We
17 hope people will stick to three or four
18 minutes. We accept all your testimony and
19 I'll be available through lunch and after for
20 further discussion for those that feel very

21 passionate about issues and look forward to
22 hearing from you.

23 We have some colleagues on crop
24 insurance here. I think the apple industry
25 has some concerns there. Carol Goodloe is

1 here and Hugh Maginiss is here. Thank you
2 very much. We are back among friends and we
3 will learn about some issues.

4 MR. ALLBEE: Thank you. I would like to
5 just identify some people that are here today
6 from the USDA. We have Carol Goodloe. She's
7 from the Chief Economist's office of USDA.
8 Thank you.

9 We also have Catherine Cornelius,
10 Marlene Phillips and Hugh Maginiss from FAS,
11 coordinate service. When I first took this
12 job, I had to learn acronyms. I couldn't
13 understand the mumbles of the company from
14 Washington, so many acronyms.

15 We also have Jim McConaha and Linda
16 Grames from New Hampshire Public Service
17 Agency. And we have Alan Rogers, Farm
18 Services of Vermont. And we have Bob Paquin
19 from Senator Leahy's office here, Tom Berry
20 from Senator Jefford's office. Jenny Nelson

21 from Congressman Sanders' office. Congressman
22 Sanders will be appearing about 11 o'clock, I
23 understand. And Senator Sarah Kittel is here
24 this morning from Franklin County. Saw Sarah
25 last night.

1 We are going to -- as Undersecretary
2 said, we will be taking testimony. I'll be
3 inviting you up by twos, and I will be
4 announcing the next people that will be coming
5 forward so you know that you will come forward
6 after.

7 Hugh Maginiss -- we would like your
8 written comments, and those comments and also
9 comments that you make in your speech will be
10 available on the FAS Web site in two weeks.

11 We are going to limit your comments to three
12 minutes. We will be timing it. I start the
13 clock as you begin your testimony. And we
14 will interrupt you at the end of three minutes
15 so we can hear from other people today.

16 Please identify yourself. First group
17 to come forward would be Bill Paine from the
18 Green Mountain Dairy Farmers and Michael Corey
19 from Maine. And Clark Hinsdale and Barbara
20 Sanderson from Jonathan's Organics and Farm

21 Bureau. First, Bill Paine and Michael Corey.

22 We do have a court reporter, so please

23 speak into the microphone.

24 MR. PAINE: Good morning. My name is

25 Bill Paine. I work for the Green Mountain

1 Dairy Farmers Cooperative Federation.

2 Thank you very much for coming to
3 Vermont and for this opportunity for producers
4 and producer organizations to voice concerns
5 regarding the World Trade Organization's
6 future policies and how they might be
7 affecting the producers.

8 I might say at the outset that Green
9 Mountain Dairy Farmers Cooperative Federation
10 has focused its most recent attention on
11 strictly matters within the state, chiefly
12 working with the state legislature. The
13 Federation is composed of four dairy
14 cooperatives, which together compose about 85
15 percent of the dairy producers and 90 percent
16 of the milk produced in the state. However, I
17 must speak as an individual because the
18 Federation hasn't discussed the World Trade
19 Organization matters directly.

20 Despite the best efforts of many people,

21 the hoped for opening of our northern border
22 for creating opportunities in dairy products
23 particularly hasn't yet fulfilled itself. And
24 we urge your continued efforts to make
25 possible the reasonable sale of our cheddar

1 and other cheeses, ice cream, yogurt and other
2 products in Canada. And we realize the
3 reasons why Canada wishes to protect that
4 quota system that it has, but still we do hear
5 from producers making inquiries as to how they
6 might become a member of the U.S. cooperative,
7 which indicates there must be some interest
8 there on their part in reducing the trade
9 barriers on the part of the producers.

10 In that regard, we feel it's vital that
11 any negotiations which seek to lower trade
12 barriers keep in mind the absolute necessity
13 of maintaining a viable agricultural presence.

14 Was that three minutes?

15 MR. ALLBEE: Continue.

16 MR. PAINE: Favorable decisions on Milk
17 Marketing Order Provisions and
18 reauthorizations to the Northeast Dairy
19 Compact would greatly help maintain a viable
20 agricultural presence in this part of the

21 country. And without a firm base in which
22 industries supporting agricultural can thrive,
23 the incentive and the ability to compete in a
24 world market do just not exist.

25 At the turn of the -- this century just

1 now ending, there were 347,000 people living
2 in Vermont and nearly that same number of
3 Vermonters living in other parts of the
4 country. There were 16,700 dairy farmers,
5 Vermont being the fifth largest in the nation,
6 and 1.2 billion pounds being produced.

7 Today, the turn of another century,
8 there are twice as many people living here,
9 twice as much milk produced, but one-tenth of
10 the number of farms. The key to keeping a
11 viable agriculture, which a vast majority
12 feels is important, is your successful trade
13 negotiations which keep farmers and what they
14 produce at the top of the list.

15 MR. ALLBEE: Thank you.

16 MR. SCHUMACHER: Can I just ask two
17 questions for clarification, if that's okay?

18 MR. ALLBEE: Absolutely.

19 MR. SCHUMACHER: On the access to
20 Canada, we lost the NAFTA (inaudible) there's

21 too many of those we did lose to Canada. This
22 is going to be at the top of our agenda. I
23 was reminded of a comment by my colleagues I
24 made a couple years ago, that -- two years ago
25 -- they were selling more milk products in

1 Moscow than they were in Montreal. And there
2 was problems in Russia since then. We still
3 have not done very well in moving our milk
4 into the market, especially the higher value
5 products. Should be going from, for example,
6 some of the high, very highlight cheeses that
7 you're making that are coming out of New York,
8 some of the new dairy cheese, the Monchovie
9 down in southern Vermont, they should have
10 access to the markets.

11 MR. PAINE: Anything we can do to help,
12 just holler.

13 MR. SCHUMACHER: Keeps the pressure on.
14 You have testified, and others, but we need to
15 open that market up for the value added
16 quality products that are coming in. And you
17 may be interested in that as well. The --
18 they know they have to change the supply
19 management to negotiate that carefully. I
20 hear you loud and clear.

21 MR. PAINE: Thank you.

22 MR. ALLBEE: Mr. Corey.

23 MR. COREY: My committee members thank

24 you again for the opportunity of being able to

25 address you.

1 My name is Michael Corey. I'm the
2 Executive Director of Maine Potato Board in
3 Presque Isle, Maine. I have additional copies
4 of my testimony if you would like to have it.
5 We would like to address some concerns we have
6 in trade, especially with the neighboring
7 countries of Canada and also with Mexico.
8 Being from the northern border state
9 surrounded on three sides by Canada, we
10 realize the importance of a good trading
11 policy. We have also experienced the effects
12 of that trading policy when it doesn't treat
13 each country equally. Canada/U.S. Free Trade
14 Agreement did not equally address agricultural
15 issues, such as subsidies and ministerial
16 exemptions that favored Canadian producers.
17 The Maine potato industry has struggled with
18 severe Canadian import pressure in the
19 northeast table markets ever since. And we
20 have seen these exports rise, especially in

21 the years when North American farmers have had
22 bountiful yields, and it seems like that
23 situation is compounded by the cheap Canadian
24 products that come in. At these times we have
25 seen the import prices further depressed, U.S.

1 prices, and we have seen goods delivered in
2 the Boston market for what they were
3 receiving in Presque Isle, Maine. At the same
4 time, we have seen Maine acreage decline from
5 about 135,000 acres in 1986 to 64,500 acres in
6 1998, while Eastern Canada's acreage will
7 increase from 116,000 acres in 1986 to around
8 174,000 acres in 1998. Maine has rebounded
9 in the latest figures back another 25 acres
10 this year.

11 Future trade policies need to be
12 complete before they are adopted. Agriculture
13 cannot be sacrificed in favor of a trade
14 agreement that's favorable to other nations.
15 It should be negotiated completely or delayed
16 until the agreement can be made. Maine has
17 been over 12 years recovering from a decline
18 in production and only within the last year
19 have we seen any increase in acres, and this
20 is the result of some drastic changes within

21 the industry to encourage a major processing
22 plant expansion by McCain Foods, Inc. in
23 Easton, Maine.

24 Care should also be taken in negotiating
25 and overseeing phytosanitary agreements. We

1 must be careful not to allow the agreements to
2 be used as artificial trade barriers by
3 trading partners. We have seen this with
4 Canada by changing requirements for potato
5 spindle tuber, which was done very quickly.
6 Without U.S. being able to make adjustments,
7 we were kept out of that market or required to
8 do additional testing. Also, there is a
9 double testing requirement on ring rot
10 disease, bacterial disease on potatoes, and
11 seed potatoes going to Canada must be tested
12 in the United States and then again tested
13 once again in Canada, so you have double
14 testing requirements. This adds cost to U.S.
15 growers and discourages trade.

16 Mexico has also effectively refused to
17 allow seed potatoes from going into that
18 country due to sanitary concerns. And as
19 quick as one concern is addressed and they
20 agree to let us in, they come up with a whole

21 new list of concerns. And this has been going
22 on since the beginning of the NAFTA agreement.
23 If we are to have free trade, it must be
24 available to both sides unless for some
25 scientific reasons this should not happen.

1 Trade remedies in the United States need
2 to be reformed. Laws are inadequate to
3 protect the U.S. farmers. New legislation is
4 needed that will allow farmers to prove
5 regional injury rather than national injury.
6 Imports into one area of our country can
7 severely affect growers in that area while not
8 having a major impact on production areas in
9 other regions.

10 Also, green box subsidies need to be
11 better defined because currently countries are
12 interpreting them and it's not real clear what
13 the real rules and definitions are. All
14 countries, including ours, have subsidies but
15 they must be clearly defined as to their
16 acceptance under WTO and steps must be taken
17 to remove illegal subsidies.

18 And finally, world trade is vital to the
19 success in U.S. Agriculture, but without fair
20 trade we are only forcing our farmers out of

21 business. We are seeing way too much of this
22 lately. You must negotiate to protect our
23 farmers rather than handing keys to our
24 tractors to other countries. Our strength as
25 a nation depends on our ability to feed

1 ourselves and I don't want to wake up some day
2 wondering why our farmers are no longer
3 producing enough food for us to eat.

4 Again, thank you. Glad to answer any
5 questions. Thank you for the opportunity.

6 MR. SCHUMACHER: We will be taking the
7 potato issue -- we will work very hard with
8 you because in the state of Washington
9 (inaudible) so, again, the same issue in
10 Canada, our friends in Canada, potatoes -- a
11 number of -- (inaudible) and I believe the
12 pressure that we have put on them has
13 softened, at least they are a lot more aware
14 of what they are doing.

15 Thank you for your testimony.

16 COMMISSIONER RUDGERS: A couple of New
17 York questions. I want to understand -- I'm
18 really not up on the different colored boxes
19 of describing subsidies, but when you
20 referenced it, that eastern Canada is

21 subsidizing somehow their potato farmers, do
22 you have some specific descriptions of the
23 programs being employed?

24 MR. COREY: There's been a number of
25 programs that they have had since the mid

1 '80s. In the past few years, I think because
2 of some of the pressure the United States has
3 put on, some of those subsidies have been
4 taken away and -- but they were there for a
5 number of years and gave them an advantage and
6 ability to get their infrastructure in place.
7 So, they -- and those include export
8 transportation, and they include programs that
9 help them to build storage facilities and
10 things like that. I am told by the Canadians
11 that's no longer in existence.

12 COMMISSIONER RUDGERS: The ability is
13 there.

14 MR. COREY: That's right.

15 COMMISSIONER RUDGERS: With regard to
16 the sanitary issues, has the golden,
17 (inaudible) end quote, come up from the
18 management concern -- I know we have due
19 diligence on that. And we have concerns that
20 other countries may use that, depends on your

21 domestic potato -- (inaudible)

22 MR. COREY: That comes up when you're

23 negotiating with another country. They look

24 at all of the pests all across the country as

25 being a target pest. Golden is one of those

1 target pests and it's pretty well confined to
2 a very small area. Even -- you know, not even
3 throughout New York, just very localized. We
4 are very concerned with that and support
5 additional testing and research on that.

6 COMMISSIONER RUDGERS: We appreciate the
7 support. Thank you.

8 MR. ALLBEE: Thank you. Earl Orcard and
9 Bill from Vermont Technical Edge. I'm sorry.
10 This is Clark Hinsdale and Barbara Sanderson.
11 Sorry for the mixup. Barbara Sanderson from
12 Jonathan --

13 MR. HINDSDALE: Do I get six minutes?

14 MR. ALLBEE: You get three at a time.

15 MR. HINDSDALE: Mr. Secretary and members
16 of the committee, my name is Clark Hinsdale,
17 President of the Vermont Farm Bureau. And
18 despite the fact that I have a jacket on, I am
19 a farmer and spend most of my time raising
20 berries that has a B in them.

21 Thanks for traveling to Vermont to join
22 us today so we can testify concerning the
23 upcoming trade talks.

24 Vermont Farm Bureau represents over 4400
25 farm families, the majority of whom are

1 associated with the dairy industry. Vermont
2 has the most dairy dependent economy in the
3 nation, so the health of our dairy industry is
4 the most important agricultural priority for
5 us. For a few fleeting weeks in the spring,
6 however, our number one in the nation maple
7 syrup industry takes over. It takes our minds
8 off the fact that the bottoms are going out of
9 our dirt roads.

10 Milking cows and boiling sap gives
11 Vermont farmers a lot of quality time to
12 ponder world affairs, and we do. We believe
13 that the United States could do a number of
14 things to enhance its position in world
15 affairs relating directly and indirectly to
16 trade. We continue to support trade
17 negotiations for this administration as past
18 administrations have had.

19 We support trade sanctions reform and
20 applaud the efforts of Chairman Lugar,

21 Congressman Hamilton and others to ban
22 unilateral trade sanctions on food. It is
23 both morally and economically imperative that
24 the United States be a reliable supplier of
25 food to any country in the world, including

1 China, Iran and Cuba. We will never starve
2 out dictators nor will we win the hearts and
3 minds of hungry people.

4 We support a worldwide ban on land mines
5 and applaud the efforts of Senator Leahy,
6 Bobby Muller and others to rid the world of
7 this endless assault upon farmers and rural
8 citizens throughout the world. We call on the
9 administration to rethink its position on this
10 issue. We believe that food should not be
11 used as a weapon, and that weapons should not
12 be directed against those who produce foods.

13 The 1996 Freedom to Farm Act is very
14 much under discussion today as most
15 agricultural commodity prices continue to
16 deflate. Without our Dairy Compact, Vermont
17 farmers would have felt the full brunt of
18 these price declines as well.

19 We believe that the long-term viability
20 of Freedom to Farm is very closely connected

21 to your efforts to open foreign markets more
22 fully and equitably to our products. In the
23 meantime, Congress and the administration have
24 some very tough choices to make concerning the
25 food producing capacity in this country. Are

1 we going to forge ahead with our economic and
2 moral plans in the world? Are we going to
3 support America's hard working farm families
4 through this current crisis? Or are we going
5 to idle a third of our agricultural production
6 either through new set aside or conservation
7 programs or through Machiavellian economics?

8 Some say that Freedom to Farm was about
9 getting the government out of agriculture. We
10 don't support that point of view. We believe
11 that Freedom to Farm is about refocusing the
12 role of government in agriculture to those
13 areas where government can uniquely act to
14 create positive change. We see agricultural
15 search, regulatory reform and, at the top of
16 the list, trade negotiations, as the key areas
17 for more government effort on behalf of the
18 nation's farmers. We know you're from the
19 government and we hope you're here to help.

20 We are anxious -- Farm Bureau has a well

21 developed, thoughtful, heartfelt position on
22 the upcoming trade negotiations. In the
23 interest of time, I can tell you that the two
24 Commissioners from either side of Lake
25 Champlain did an excellent job of summarizing

1 that position in their opening statements.

2 Trade promotes economic growth and well
3 being, but it does far more than that. Trade
4 promotes cross cultural understanding and
5 world peace. Intelligent utilization of
6 America's environmentally friendly and
7 consumer safe food supply will also help
8 protect fragile and significant environs
9 elsewhere in the world.

10 Thank you again for traveling to
11 Vermont. We wish all of you, as well as
12 ourselves, much good luck in the upcoming
13 negotiations. Thank you.

14 MR. SCHUMACHER: I was very impressed
15 with seeing your statement in detail.
16 Something that we are always very concerned
17 about, and I think the State Department and
18 USDA -- when you say what the new regulations
19 and sanctions, some of the bills you referred
20 to, we can move that agenda forward. That's

21 the first time I heard in any of my hearings
22 throughout the country a comment about land
23 mines in agriculture. I would like to bring
24 that back to the State Department in a written
25 form. First time we have heard it. In Kosovo

1 people are being killed. That's the first
2 time I've heard a statement from a farmer
3 saying we must get rid of land mines because
4 of the impact on agriculture around the world.
5 We really appreciate that. I will take that
6 back to Washington when I return. Very, very
7 helpful.

8 MR. GRAVES: Clark, does the Vermont
9 Farm Bureau have a position with respect to
10 relaxing trade barriers on dairy issues?

11 MR. HINSDALE: We very much supportive
12 the kind of comments, the earlier discussion
13 that took place during Mr. Paine's testimony,
14 the Federation, is consistent with our point
15 of view. Given the number of dairy farmers in
16 the room today, I decided that I would focus
17 on some non-dairy issues even though testimony
18 you've heard from the dairy sector is very
19 consistent with both the state and national
20 policy.

21 MR. GRAVES: Thank you.

22 MR. ACETO: I just wanted to add one

23 more comment on the sanctions. In the next

24 few weeks, few days, a regulation will come

25 out that will allow (inaudible) in Sudan. The

1 other thing is this is an important issue
2 because one of the concerns they have -- to
3 address the issue out there, that we will
4 address the countries and the export taxes --
5 (inaudible)

6 MR. HINSDALE: The only point, any time
7 -- with regard to the farm U.S. position,
8 might be, because it hasn't been mentioned, is
9 the fact that with the economic prosperity we
10 are enjoying in this country, if we can't move
11 significantly to reduce export subsidies by
12 the European Union and others, we must be
13 prepared in this country to increase the
14 export subsidies on our end. We must be
15 prepared to give you in those trade
16 negotiations some assurances from the
17 administration in the Congress that this
18 country is serious about that kind of action.
19 In the event of failure to reach concessions
20 to negotiations, I would like to deal with as

21 strong a hand as possible.

22 MR. ALLBEE: Thank you, Clark.

23 John Tichner is here. John, I apologize

24 for not pointing you out.

25 Howard Howrigan.

1 MR. HOWRIGAN: Good morning. I am
2 Howard Howrigan, dairy farmer from Fairfield,
3 Vermont and President of the St. Albans
4 Creamery, a dairy cooperative with
5 approximately 600 members located in northern
6 Vermont, New York and New Hampshire. I was
7 elected Chairman of the Dairy Research Board
8 at the last meeting and interested in research
9 and development of new dairy products. We
10 also do a lot of research into the nutritional
11 and medicinal value of dairy products. We
12 have got six research centers located in the
13 United States, and the northeastern one being
14 here at UVM.

15 St. Albans is also a member of the
16 National Milk Producers Federation, and I
17 serve on the U.S. Dairy Export Council and in
18 the area of trade policy I work closely with
19 those organizations.

20 I'm very pleased and honored to appear

21 before you today to discuss with you the
22 upcoming multilateral negotiations with the
23 WTO and to stress the importance of export
24 dairy products to the U.S. dairy industry.
25 Over 96 percent of the world's population live

1 outside the United States and are a very major
2 market for our growing dairy industry. Our
3 export dairy products are desperately needed
4 by the third world countries to improve
5 nutritional needs.

6 Let me start by underlying the
7 importance of the U.S. dairy industry in U.S.
8 agricultural and the economy as a whole.
9 Dairy is the second largest agricultural
10 commodity sector in the U.S. It generates
11 income in excess of \$20 billion per year and
12 retail expenditure of about \$70 billion a
13 year.

14 In Vermont alone, dairy farmers produced
15 2.615 million pounds of milk in 1998, second
16 highest apple production of any state in the
17 country. This milk was worth approximately
18 \$400 million and much of this money comes from
19 the out-of-state sales of Vermont dairy
20 products. This is generator income and has a

21 real impact four to five times greater than
22 its initial value to our local economy. The
23 dairy industry represents 6.3 percent of the
24 state's economy and 85 percent of the
25 agricultural economy in the State of Vermont.

1 Despite the size, the dairy industry is
2 a relatively newcomer to international trade.
3 Yet, our export share has been growing in
4 recent years. One of the primary reasons for
5 U.S. dairy's slow and difficult emergence
6 internationally has been the fact that dairy
7 is one of the world's most protected and
8 subsidized industries in other countries.

9 The European Union, Canada and Japan --
10 some of the most important dairy markets --
11 are able under their WTO commitment to impose
12 tariffs at the rate of over 100, 300 and 500
13 percent compared to less than 100 percent here
14 in the U.S. This is just an example of the
15 huge disparity between the U.S. and its
16 trading partners.

17 We are aware that the U.S. dairy
18 industry has much to gain from successful
19 negotiation but I cannot stress enough to this
20 administration that the dairy farmers are

21 going to lose future growth capacity if an
22 incomplete or poorly balanced agreement
23 results. I don't think I can stress strongly
24 enough that we can't go for an early harvest
25 in the process. We must keep dairy part of

1 the packet. We in agriculture are extremely
2 concerned about the administration's plans to
3 support a round of negotiations that would
4 accommodate early agreements in other sectors.
5 I understand that some actions have been taken
6 with respect to the language presented in
7 Geneva. I can assure you again, that's not
8 enough. We need more.

9 Mr. Undersecretary, we are deeply
10 concerned that USDA is not speaking up on this
11 issue. We urge you to reconsider the
12 administration's plan again. An early harvest
13 concept, if approved, will significantly hurt
14 agriculture interests in the next round and
15 this is simply not acceptable.

16 With respect to timing, the U.S. dairy
17 industry strongly encourages the termination
18 of the new round of negotiations in no more
19 than three years.

20 We would like to see dairy export

21 subsidies be gradually eliminated in no more
22 than five years, starting no later than 2002.
23 The elimination of subsidies is categorically
24 the first priority of dairy farmers in
25 America. We strongly believe that it should

1 also be the U.S. priority for the upcoming WTO
2 negotiations so dairy farmers can play with
3 anybody.

4 We support the U.S. government position
5 to tighten the rules on domestic support to
6 ensure that such programs do not encourage
7 excess production that distorts trade.

8 However, we strongly believe that disarmament
9 cannot be unilateral. We cannot afford to
10 leave dairy farmers at the mercy of European
11 government outlays. Failure to bring the EU
12 domestic support under control will
13 significantly undermine the accomplishment in
14 reducing export subsidies.

15 We would also caution the administration
16 about circumvention of WTO commitments.
17 Agriculture, in particular our industry,
18 cannot afford the time nor the resources to
19 bring other countries into compliance.

20 MR. ALLBEE: Sorry. You're going to

21 have to summarize. Are you almost done?

22 MR. HOWRIGAN: Well, I again would just

23 say I'm pleased to be here and honored that

24 you could come here and listen to some of our

25 concerns, but I reinforce -- (inaudible) with

1 the dairy products and agricultural products
2 in the U.S. from the U.S. Thank you.

3 MR. SCHUMACHER: Thank you. You and
4 I've known each other for a long time. I will
5 take and bring back, and I think Paul will
6 -- we'll hear a lot more testimony today, but
7 clearly my sense is from you and your
8 colleagues, no early harvest. Hearing that
9 loud and clear, that agriculture must be part
10 of the (inaudible) also in Canada, we bring
11 that issue, we are doing a little bit better
12 on exports. I think until we get our hands
13 around EU dairy subsidies, which is just huge
14 in Europe, we will not be moving -- competing
15 against the European taxpayers. We are using
16 the dairy export incentive program at full
17 capacity, but just simply difficult competing,
18 one, with the market access to Canada, two,
19 the desk trading in the Dairy Board, but most
20 importantly, the European taxpayer slashing of

21 both export subsidies and domestic subsidies

22 of dairy.

23 What concerns me so much is, the dairy

24 farmers here, is when they talked about the

25 reform of agenda 2000, that it's entitled to

1 stretch an area out to 2008. About the
2 commitment to reforms in Europe, we will
3 assume we have an impact here, so we have work
4 to do in those areas.

5 We will, as long as I'm here, hearing
6 this testimony, we will keep pressing very,
7 very hard for the dairy farmers nationally,
8 and certainly in the northeast, which are
9 impacted by the level of access.

10 I clearly appreciate your taking the
11 time to come here and bring 25 dairy farmers
12 to a farm yesterday. We thank you for your
13 testimony. Thank you.

14 MR. ALLBEE: Any other comments,
15 questions? Howard, you're also Chairman of
16 the National Dairy Board. You're also
17 Chairman of the National Dairy Board, I
18 understand. So, that wasn't indicated on the
19 list. Just let the panel know.

20 Mr. Bell.

21 MR. BELL: Thank you.

22 Secretary Schumacher, Commissioner

23 Rogers and Mr. Graves and Mr. Cummings, my

24 name is William Bell and I live in Maine. I

25 know some of you through my work. I'm here

1 today in another position, which is General
2 Manager of New England Brown Egg Council. And
3 apart from my prepared text, I'll try and put
4 a face on what I have to say.

5 As a side, Secretary Schumacher, we
6 realize that the poultry industry benefits the
7 feed process but historically those benefits
8 are short lived and we have come to the end of
9 that line. Our producers throughout the
10 country have expanded knowing that these feed
11 prices -- so you now have some very low egg
12 prices, some historically low egg prices until
13 the recent comeback. And even though our
14 members probably won't readily admit it, as an
15 economist we appreciate that in the long run
16 we do better with rising feed prices, once the
17 egg prices catch up with them, than we do in
18 falling feed prices.

19 Just up the road here in Colchester is
20 Shadow Cross Farms. Richard Packett runs a

21 very excellent operation in cooperation with
22 poultry farms across New York State. Dick
23 Packett has probably never packed an egg for
24 export, he probably never will. But he is a
25 small producer, benefits just as much from the

1 export trade which we have today in brown eggs
2 as do the largest exporters. In fact, he gets
3 the same price, he doesn't have to go through
4 the hassle of going out to Washington and
5 getting HEAP funds, et cetera. So, this is a
6 small producer issue as much as it is a large
7 export producer issue.

8 We produce the best eggs in the world
9 for export here in New England. Only 3
10 percent of the nation's eggs are exported.
11 About half of those are from New England
12 because we produce the eggs that people want
13 worldwide, which have the brown shells, which
14 is the egg shell color preference for the rest
15 of the world.

16 And we have historically had a
17 tremendous market in Hong Kong and Middle
18 East. The Hong Kong market until several
19 years ago was like the largest supermarket in
20 New England, right, except you had to access

21 it by water. It was as if we had Stop and
22 Shop supermarkets as another huge customer.
23 And the volume of the eggs leaving Portland,
24 Maine to Hong Kong was the largest single
25 commodity shipped out of Portland. In Boston

1 Harbor it was the fifth largest commodity
2 going to the Orient. So, this was a huge
3 chunk of business.

4 I have been to Hong Kong. I've seen in
5 the best supermarkets the U.S. eggs displayed.
6 In fact, until we lost that market, we were
7 thinking of stenciling or laser jet printing
8 on each egg; USA. Because that's how popular
9 our eggs were and customers would go into the
10 stores and take a carton from another country,
11 empty that carton, use an empty carton and put
12 the USA's into it as a way of kind of fooling
13 the person at the checkout counter and be
14 getting the U.S. eggs for a less expensive
15 price.

16 Years ago when we discovered the
17 opportunity, it was when our exporter was in
18 Hong Kong and saw people in the back alley
19 dying white eggs and trying to make them look
20 brown, he said; here's the way to market for

21 the United States. Through the negotiations
22 we lost much of our ability to have export
23 parameters for this. This was nobody's fault.
24 It goes back to a previous administration.
25 And base year, which was like the -- for

1 all export subsidies. And it was a base year
2 where we have very few export subsidies and
3 the Europeans had discovered how effective
4 they could be with those subsidies. And they
5 have been, as you know, like you, extremely
6 effective. And they get that double benefit.
7 They now use the subsidies available to them.
8 Then they can get a better bulk rate on their
9 shipment, and so their shipping costs go down
10 because of the volume that they have planned
11 for. So, it comes in even sharper, sort --

12 MR. ALLBEE: Mr. Bell, you're going to
13 have to summarize.

14 MR. BELL: Summarize, will be brief. We
15 urge you, as previous speakers and colleagues
16 here and those of you as commissioners, please
17 assist on the elimination of export subsidies.
18 We have the cleanest eggs. We have from a
19 food safety standpoint the best eggs. We wash
20 and oil our eggs, which no other countries do.

21 We would love to compete on equal terms with
22 the rest of the world and we will do it very,
23 very well given your support in the subsidies.
24 Thank you.
25 MR. ALLBEE: Any questions?

1 MR. ACETO: I have a question. When you
2 were in Hong Kong before, was that with export
3 subsidies or was that without it?

4 MR. BELL: That was with subsidies. And
5 we now have half of what we used to in those
6 subsidies. Because of the quality of our
7 eggs, there are -- the upscale supermarkets
8 purchase the U.S. eggs without the subsidy but
9 we can go back to having double that if we
10 want more European subsidies.

11 And with respect to my colleague here, I
12 lived in Hong Kong right after World War II.
13 I understand how strongly you feel about the
14 need to have an adequate food supply. And so
15 I realize the passion with which they defend
16 the agricultural policies but I think the time
17 has come to phase them out sooner rather than
18 later.

19 MR. SCHUMACHER: Maybe want to take your
20 colleague who knows what he says (inaudible).

21 MR. BELL: Maybe we can just resolve

22 this over lunch.

23 MR. SCHUMACHER: Vermont cheddar, egg,

24 vegetable omelet. Thank you very much.

25 MR. ALLBEE: Cindy Hebbard and Ellen

1 Taggert. Whoever would like to go first.

2 MS. TAGGERT: I'm going to go. My name
3 is Ellen Taggert and I'm the Executive
4 Director of World Vermont. World Vermont is a
5 family farm and -- group that was founded in
6 1985 by farmers.

7 I want to first thank you for the
8 opportunity to present our views. We believe
9 that the evidence to date is clear. Free
10 trade under the World Trade Organization has
11 been a disaster for family farmers of rural
12 communities. According to the Vermont/New
13 Hampshire Policy Institute, the U.S.
14 experience with farm trade balance has lost
15 \$13 billion between 1996 and 1998. In roughly
16 the same period, the U.S. lost 42,000 small
17 farms. Increased trade under the WTO and U.S.
18 public farm policy written in 1996 to comply
19 with the WTO dictates has been a move for
20 corporate agriculture business. In fact, the

21 farms, not the family farms, have sustained in
22 rural communities.

23 Of particular importance in Vermont is
24 the potential for increased world trade in
25 dairy products. Because of the high cost of

1 production from dairy farmers in New England,
2 our farmers are particularly vulnerable to the
3 kind of price volatility they have experienced
4 since 1996 when the Farm Bill was passed and
5 eliminated the federal farm safety net. The
6 facts are indisputable. Increased free trade
7 in dairy will push milk prices down.

8 Currently in Vermont, USDA estimates
9 that the average cost of production is \$18.51
10 cents per hundred weight. A recent cost
11 survey by the Northeast Dairy Compact found
12 that costs were even higher for small farms.
13 By comparison, press reports often peg the
14 world's market price at \$6 per hundred weight.
15 So, while farmers' costs are currently \$18 a
16 hundred weight, they are being paid \$13 a
17 hundred weight, roughly.

18 USDA trade representatives expect
19 farmers to compete with \$6 per hundred weight
20 milk and are trying to convince farmers that

21 opening world markets is going to save the
22 farm. The truth is opening up farmers to the
23 world's market is and will continue to put
24 them out of business.
25 Let's use Argentina as an example where

1 the cost of production is estimated between \$5
2 and \$7 a hundred weight. The Food and
3 Agricultural Policy Research Institute
4 estimates that net exports of dry milk from
5 Argentina will more than double between the
6 decade 2007 while the exports from the U.S.
7 will fall 40 percent. The truth is, created
8 food and dairy benefits to the corporate
9 agriculture businesses that process dairy
10 products and are looking for the cheapest raw
11 material to manufacture their products.
12 Consumers lose, too, when they lose control
13 over the quality and safety of their food,
14 which is increasingly produced in countries
15 with weaker food safety and quality standards.

16 In addition to our concerns for farmers
17 and consumers, we are very concerned about the
18 use of WTO authority to erode our position as
19 citizens to democratically establish policies
20 that keep our farmers on land and secure and

21 revitalize our world communities.

22 Again, the record of the current WTO

23 rules is clear. The WTO works in favor of the

24 corporate profits at the expense of the public

25 interest and our democratic rights. WTO,

1 despite unelected, unaccountable appointed
2 fixtures, exercise their support of the
3 current trade to override U.S. laws. What
4 these rulings teach us is that the WTO doesn't
5 believe citizen concern, community values or
6 unknown risks are legitimate bases for policy.

7 We are particularly concerned about the
8 ability of the WTO to undermine democratic
9 decisionmaking in relationship to agricultural
10 biotechnology. Press reports have
11 consistently expressed the U.S. commitment to
12 use the WTO for you to force foreign markets
13 open to genetically modified organisms. USDA
14 and U.S. Trade Representatives should not use
15 the Seattle WTO meeting to bully the world
16 into accepting the products of U.S.
17 bio-technology expansion or to expand the
18 authority of the WTO in any way, rather it
19 should be used as an opportunity to reverse
20 trends in farm loss, loss of democratic rights

21 and the threat of the health of our rural
22 communities that current world trade rules
23 have created.

24 Specifically, the USDA and UST should
25 change WTO rules to allow us to rebuild the

1 federal dam --

2 MR. ALLBEE: Can you summarize?

3 MS. TAGGERT: Yeah. Two more points --

4 and take actions to stabilize prices for

5 farmers and consumers. And two, ensure that

6 programs designed to support small farmers and

7 protect food security like the Northeast Dairy

8 Compact are protected, as well as those

9 programs that limit or control the development

10 of family farms and industrial agriculture.

11 And third -- this is my last thing -- ensure

12 that countries maintain the right to ban

13 genetically modified organisms and work in the

14 U.S. to get the growth hormone and all

15 genetically modified -- federal review must be

16 reformed to require long-term health,

17 environmental impacts and the economic impacts

18 of -- on family farms.

19 That concludes our comments. Thank you

20 again for this opportunity to investigate our

21 views.

22 (Applause.)

23 MR. SCHUMACHER: Thank you. One area

24 that we are struggling with, I need your

25 counsel on this. On the slides that we put

1 up, Miss Carol said dairy is for
2 (inaudible) people come to provide us with
3 super models in the counties. One of the
4 things that we have been particularly
5 concerned about, friends at home have a
6 different system of dairy in very, very, very,
7 very heavily subsidized and that's internally
8 -- I guess that's their business. But what is
9 really hurting and killing us is we are next
10 to Canada but people import and how we are
11 together on this, raise a difference of
12 opinion in so many areas. One I think we may
13 share, I want you to help us, is the huge
14 dairy subsidies on exports that has occurred.
15 One of the things that we are very concerned
16 about in Europe is their impact on developing
17 countries because with a weak price, very high
18 a couple years ago, the Europeans put export
19 taxes on it and restricted their wheat
20 developing countries and their terribly

21 distorted world dairy policy, which was
22 extraordinarily high in export taxes. Maybe
23 one area we can work together on. What they
24 do internally would be their business but when
25 they affect Vermont dairy farmers with these

1 export subsidies, is that an area we can build
2 someone out onto?

3 MS. TAGGERT: I mean, honestly, I don't
4 know enough about it to make a comment on that
5 export subsidy issue.

6 MR. SCHUMACHER: Can we cover that
7 issue?

8 MS. TAGGERT: Yeah. I would like to say
9 that I -- you mentioned the issue of opening
10 the Canadian market. That's something that we
11 don't think is going to get us anywhere. We
12 think it's a very shortsighted step to take
13 and will ultimately get us right back to where
14 we are. The reason is that, one, it's a very
15 small market. It's one-tenth of the U.S.
16 dairy market. And the way that, you know,
17 milk is being produced in the western states
18 right now, we think that there is a capacity
19 to easily reflect that market. And that's
20 assuming that milk would only flow north.

21 In Vermont, I think we are a lot more
22 concerned about the fact that the Canadian
23 farmers are in really good shape right now.
24 They are under a supply management system,
25 they get a good price and they have got great

1 equipment, they have got great land. And we
2 are very concerned about the possibility of
3 milk flowing south and what that would do and
4 the implications for the northeast area
5 compact and our markets here.

6 It's sort of wonderful to look north and
7 say; look at Montreal. But they are going to
8 look south too, and we are very concerned
9 about that.

10 MR. SCHUMACHER: We understand that.
11 There is quite a difference of opinion on
12 that. Particularly, a billion dollars worth
13 of American dairy products north of the
14 border. And as we look at their market, it is
15 pretty distorted as well. We went the WTO
16 cases with Canada (inaudible). We are going
17 to work very hard. I think the way they are
18 impacting small farms in our states,
19 particularly the dairy farmers worldwide, is
20 going to be a major issue for us. I'm saying

21 this as much with my friends here. They are
22 subsidizing with cheese. It's a little hard
23 for capital to meet against the Dutch
24 taxpayer.
25 MS. TAGGERT: Yeah. I mean, we support

1 a national supply management system. And
2 Congressman Bernie Sanders has introduced
3 legislation called the Dairy Nutrition
4 Conservation Act, and that was something that
5 we worked very hard on with dairy farmers
6 across the country to help develop. And so,
7 you know, in the context of us having a system
8 like that, what would these issues be in
9 relationship to export markets, I really don't
10 know. But I appreciate your offer to continue
11 to discuss those issues.

12 MR. SCHUMACHER: The 8th, maybe we would
13 have a little session on this, some of these
14 important trade issues. On the dairy, we
15 would differ in some areas. But I think
16 there's some areas we could build a little
17 (inaudible) a few bridges as well. So --

18 MS. TAGGERT: We're used to being
19 different around here.

20 MR. SCHUMACHER: We want to work with

21 you on some of these issues.

22 THE COURT: Cindy?

23 MS. HEBBARD: Hi. My name is Cindy

24 Hebbard. I have been a small business owner

25 for 20 years in the Boston area. I speak

1 today as a concerned parent. And I am
2 currently a medicinal herbalist and wholistic
3 health advocate.

4 Free trade policy and philosophy of
5 globalization, which USDA supports in its
6 policy initiatives, seems to be a product of
7 unbridled greed and it alarms me that still in
8 the face of opposition, not just in the U.S.
9 but worldwide, it's considered beneficial.

10 Free trade is a corporate agenda, not a people
11 agenda. It's based on the ideas of
12 consumerism, acquisition and limitless big
13 business growth, an impossibility in a world
14 of finite resources.

15 Free trade has led to American companies
16 moving factories abroad and to the ruinous
17 structural adjustment policies imposed on
18 third world countries. It has led to the
19 lowering of inflation and environmental
20 standards and the catastrophic introduction of

21 genetically altered foods, RBGM in our milk
22 and the USDA opposition to strict organic
23 standards and the government backing of food
24 irradiation.
25 We do not need food -- excuse me -- we

1 do not need free trade and more imports. What
2 we need is a stronger local and regional
3 economy throughout the world, which policies
4 you've indicated with common industry helping
5 to subvert. Even free trade economists
6 responsible for the policy of reduced
7 government intervention have now admitted that
8 they were wrong.

9 In January of 1998, Joseph Stiglet,
10 Chief Economist of the World Bank, said, and I
11 quote, "The focus of freeing up financial
12 markets may have had the perverse effect of
13 contributing to macro-economic instability by
14 weakening the financial sector."

15 On November 24, 1998, Jack McQuady, who
16 is the economic advisor to the GATT talks,
17 appeared at the American Enterprise Institute
18 in Washington and explained why the multi-
19 lateral agreement on investment, which would
20 have enshrined it as law, the policies you

21 advocate, was not only a failed document but
22 failed concept. In the course of his talk he
23 uttered this memorable quote, which should be
24 chiselled in stone over the entrance to the
25 USDA, and again I quote, "We must remember

1 that the world did not -- does not exist for
2 business alone."

3 I believe that a policy -- I believe
4 that our policy and concerns should be a long-
5 term view of preserving our local and world
6 environments, healthy food for all people, and
7 a stable economy for all people of the world,
8 not lining the pockets of the wealthiest
9 corporations.

10 Thank you.

11 MR. ALLBEE: Thank you. Next, Suzanne
12 Debrosse and Kathy Rutherford.

13 MS. Davidson: Good morning. I, too, am
14 making a statement this morning as a concerned
15 citizen and as one who has come to the
16 disquieting realization that our government
17 agencies are not adequately serving the public
18 interest. In this I am directly referring to
19 politics of corporate profit vis-a-vis
20 agricultural genetic engineering.

21 In an early June interview in
22 the St. Louis Dispatch, USDA Secretary Dan
23 Glickman stated that the American public
24 believes the USDA along with the FDA and the
25 EPA are "on the level," and I'm quoting here.

1 That these agencies are "not in anybody's hip
2 pocket" and truly represent the public
3 interest. In my opinion, it is specifically
4 this public faith that the USDA has violated
5 in its aggressive campaign to introduce GE
6 crops if our agriculture system and to force
7 our trading partners to accept this
8 controversial technology.

9 Initial promises of ending world hunger
10 through genetically engineered crop
11 improvements have been shattered by the bare
12 truth that most GE seed was designed to resist
13 target pesticides or herbicides. In reality,
14 this technology has never yet been about
15 feeding the world. It is a strategy at the
16 heart of an industry-wide war, with a handful
17 of transnational corporations intent upon
18 wresting control of the world's food supply at
19 its most basic level, that of the seed.

20 Many global trading partners want to

21 scrutinize this emergent technology further
22 and apply it slowly and with caution.

23 In its unyielding support of agriculture
24 biotechnology, the United States has been
25 aggressive in threatening serious trade

1 sanctions against those countries that oppose
2 agricultural genetic engineering. I denounce
3 this stance. We have no moral imperative to
4 feed the world, as promised by Secretary
5 Glickman, President Clinton and industry
6 representatives, by forcing this technology
7 and its by-products on other nations.

8 This new brand of agriculture threatens
9 the sovereignty of other countries at the most
10 basic level of human need. It threatens the
11 health of the soil and the integrated
12 management systems for food production. It
13 also threatens to tie our farmers to a system
14 that ultimately will not have their best
15 interests in mind. As centralization occurs
16 within agriculture, independent small farm
17 enterprises may be threatened to the point of
18 extinction by declining seed variety and the
19 small farms' outsider status in
20 specialty-crops markets. And because most

21 genetically engineered seed is right now
22 linked to the use of particular chemicals, the
23 farmers who do invest in this technology will
24 have less decision-making power over their
25 crop management practices, yet still may bear

1 of risk of crop failure.

2 The vision of Thomas Jefferson was of a
3 democracy grounded in the independence of
4 small farms. The strengths of the democracy
5 is in freedom of choice and the autonomy of
6 farmers to make independent management
7 decisions about their land. When that is
8 threatened, a domino effect is set in motion
9 that ultimately threatens the very way of life
10 of any democracy.

11 I call on the USDA to begin again
12 serving their public mandate -- negotiating in
13 the interests of the people of this country
14 and the land, not in the interest of profits
15 for and promises made to transnational
16 agribusiness corporations. In my opinion, it
17 is the continuance of our true democracy that
18 is at stake.

19 Thank you.

20 (Applause.)

21 MR. ALLBEE: We are trying to move
22 along, so if we could have some decorum. Tom?
23 Or John?
24 MR. POTTHAST: I'm not sure I know that
25 clapping is indecorous.

1 My name is John Potthast. I'm from
2 Plainfield, Vermont. I'm on the Board of the
3 Hunger Mountain Co-op, who does a million
4 dollars worth of business a year. I'm also
5 involved in politics, and one of my slogans
6 was; ecology is a national balanced budget.

7 I have some recommendations. One is
8 along the line of transparency applied to
9 products as well as to rules, namely, doing
10 with what food product we have. At the Hunger
11 Mountain Co-op, we expect to spend about a
12 thousand man-hours just trying to find out
13 whether we have genetically modified food on
14 our shelves. This is unconscionable. I think
15 that one standard is products should be well
16 identified, including genetic modification. I
17 have a suggestion later.

18 We believe there should be local and
19 regional control of health and environmental
20 standards. That's the only place a citizen

21 can actually effectively participate in
22 government. The effects of -- the ecological
23 effects, environmental effects, and health
24 effects should be keyed into the market. We
25 should be able to choose when we buy food what

1 effect we have on our local community.

2 Tariffs and limitations of trade should
3 exist in provincial and state areas. Again,
4 this is where people actually control the
5 government. I believe the U.S. federal
6 government is out of control. It's large
7 Apple companies, ADM, Monsanto.

8 Commissioner Graves raised the issue of
9 how we have healthy agriculture. One
10 suggestion I have is go to Japan because the
11 price is at least 50 percent higher than
12 commercial market. We have spent 100 years of
13 so-called scientific agriculture. We have a
14 sterile, unproductive soil. Soil has been
15 destroyed from the way it was before existing
16 in a natural ecology. These are serious
17 effects in production of food worldwide.

18 You're asking this partly -- in some
19 avenues anyway, and I hope the negotiations
20 will change their habits and learn what

21 ecology is -- you're asking us to open up the
22 worldwide food production to the deleterious
23 effects.

24 Undersecretary Schumacher mentioned he
25 was alarmed at the connection between land

1 mines and agricultural production. But how
2 much -- how many people have been killed by
3 the effects of pesticides?

4 At least in summary, that's my remarks.
5 And I'll be glad to send by E-mail a little
6 more detailed comments. I'll be glad to
7 respond to anybody who has questions.

8 MR. SCHUMACHER: Thank you very much for
9 the testimony. First of all, on tariffs, the
10 tariffs are in our constitution, the
11 constitution -- those are federally set
12 (inaudible).

13 MR. POTTHAST: Would you speak up?

14 MR. SCHUMACHER: The tariffs of foreign
15 trade are part of the federal -- of our
16 constitution states -- this is a body of --
17 (inaudible.)

18 MR. POTTHAST: I believe they should be
19 under control of regional governments, state
20 governments. That's where people actually

21 control.

22 MR. SCHUMACHER: That would require a
23 change.

24 MR. POTTHAST: I know it would require a
25 change. I would urge it.

1 MR. SCHUMACHER: Changing the
2 constitution.

3 MR. POTTHAST: I think it would go along
4 well with Canada and Quebec. You don't have
5 to decide for everyone else. Make it so it's
6 possible if a particular country would like to
7 make those changes, it can.

8 MR. SCHUMACHER: For the record, that
9 does require changing our constitution.
10 That's -- but I think more importantly, one of
11 the reasons I'm pleased you're all here today
12 is to hear all types of views. One of the
13 things I said earlier is in previous
14 administrations, we have not heard diversified
15 testimony. That's why we have at least heard
16 a variety of thoughts and comments on our
17 trade policy, because we are going -- we do
18 have farmers here. They are testifying, the
19 community groups.

20 MR. POTTHAST: But they are not

21 deciding.

22 MR. SCHUMACHER: That's one of the
23 reasons we have changed. We have these 12
24 hearings listening to you all. Everybody can
25 see all the international visitors here, and

1 I'm proud that we are out here in the
2 countryside listening to all points of view.
3 It's a very, very important democratic
4 process, that we have input into something as
5 important as the next round of trade in the
6 future. Trade impacts on trade. I think
7 that's very, very important to state.

8 On the other issue of biotechnology, I
9 think the secretary gave a speech last week --
10 I'll just read a couple comments, I think it's
11 very important, on the record. Two big
12 issues -- there are a number of issues. He
13 had a five point program. Very, very
14 carefully.

15 One, not delaying the regulatory process
16 through government regulation. Regulation
17 must continue to stay arm's length, a
18 dispassionate distance from the companies
19 developing the products.

20 Secondly, fairness to farmers. And I

21 think some of the comments here is how fair
22 are some of the farmers. Biotechnology has to
23 result in greater not fewer options for
24 farmers. The industry has to develop that,
25 show real meaningful results from farmers,

1 particularly -- particularly small and medium
2 sized family farmers. I think that's
3 important.

4 And then corporate citizenship. In
5 addition to their desire to earn a profit,
6 biotechnology companies must also understand
7 and respect the role of the arm's length
8 regulator, the farmer, and the consumer. And
9 the secretary feels very strongly about that.

10 That's one of the things we are going to
11 be looking at very, very carefully as we and
12 all of the U.S. government looks in terms of
13 biotechnology. But we also are not going to
14 have non-scientific -- there is a lot of
15 passion on this issue. But there also has to
16 be some -- you cannot let others hide behind,
17 as the secretary said, unfounded, unwarranted
18 scientific claims to block commerce in
19 agriculture.

20 I understand that would be -- it's all

21 very important to be on the record as well.

22 There is a lot of passion on this issue. But

23 I think we have a strong scientific base, we

24 want to look at this very, very carefully.

25 There are some issues out there. But I think

1 in that regard, the secretary is very careful
2 to talk about fairness to farmers, arm's
3 length, make it a fair process and
4 citizenship. We will learn more from people
5 during the day.

6 MR. POTTHAST: I saw one reference in
7 here to environment, talking about a healthy
8 environment. There is no other reference.
9 One thing that the Department of Agriculture
10 should find out is there exists such a thing
11 as science of ecology.

12 MR. ALLBEE: Undersecretary will be
13 around during the day, so there will be other
14 opportunities.

15 MR. SCHUMACHER: I look forward to a
16 discussion afterward as well. Thank you both
17 for being here and we appreciate it.

18 MR. ALLBEE: Mr. Graves.

19 MR. GRAVES: Yes. Ron, I would like to
20 ask Susan a question I didn't have an

21 opportunity to question her.

22 Susan, you made an interesting comment

23 that I would like to ask you to expand upon,

24 if you care to, that -- I believe you said

25 that the U.S. doesn't have a mandate to feed

1 the world. And I just wondered what your
2 perspective on that is. Is there any
3 responsibility on behalf of the U.S. and U.S.
4 Agriculture to provide food and fiber to third
5 world countries or other parts of the world?

6 MS. DAVIDSON: It's my perspective that
7 first and foremost the food security, the
8 environmental food security of those countries
9 should take precedence over our stated need to
10 feed them. I believe that there is adequate
11 food in this world. And the problem is
12 getting it to the people more so than us
13 needing to force new technologies onto
14 developing countries. I think it truly
15 threatens their sovereignty at a very basic
16 level.

17 MR. GRAVES: Thank you.

18 MR. ALLBEE: Thank you.

19 Jason Boehk and Christopher Kaufman.

20 MR. KAUFMAN: Good morning. My name is

21 Christopher Kaufman. I'm the Program Director
22 at Rural Vermont, a grassroots family farm
23 advocacy organization with over 3,000 members
24 in the state. I hold a Master's degree in
25 international development from the London

1 School of Economics and have spent much of the
2 last ten years working with grassroots
3 organizations to build alternatives to the
4 trade and investment structures promoted by
5 international financial institutions,
6 including GATT, now the World Trade
7 Organization.

8 The WTO is a fundamentally flawed
9 institution for at least two major reasons.
10 First, it undermines the democratic process by
11 handing over power to unelected, unaccountable
12 trade officials in Geneva. It is structurally
13 designed to destroy the ability of local,
14 state and federal governments to promote
15 environmental protection, economic justice and
16 human rights. The WTO fails to consider, and
17 indeed deliberately subverts, the single-
18 minded, ideologically driven push to open
19 borders to trade at the lowest common
20 denominator. Democratically mandated

21 legislation, such as the U.S. Clean Air Act
22 and Endangered Species Act, suffers the
23 tyranny of the WTO as its unelected and
24 unaccountable bureaucrats dismantle such
25 legislation piece by piece to promote

1 so-called free trade. One U.S. trade official
2 estimated that up to 80 percent of U.S.
3 environmental law is in violation of the WTO's
4 rules. With each new trade dispute, the
5 American people could find themselves losing
6 ground in our hard-fought battle to protect
7 the environment, human health, farmers and
8 other workers.

9 Secondly, it demands that all producers,
10 in agriculture and industry, compete on the
11 world market, ignoring widely variant costs of
12 production in different regions of the world.
13 American dairy farmers should not be forced to
14 compete in the world market because the cost
15 of production for dairy farmers in Vermont is
16 almost three times higher than the world
17 market price per hundred weight of milk.
18 Forcing competition on a global scale will
19 undermine community food security at the local
20 level by pushing small farmers out of

21 business. Insulating Vermont's farmers from a
22 pricing disaster in which the price is a third
23 the cost of production is not a question of
24 protectionism but rather a recognition that
25 costs vary by region and that markets should

1 be limited in their scope in order to account
2 for these variances. Keeping farmers on the
3 land is essential to building healthy rural
4 communities and maintaining food security.
5 The WTO advocates the exact opposite, basing
6 its position on the free market premise that
7 prices should be a determining factor in
8 economic decisionmaking. The WTO would
9 advocate that Vermont's dairy industry
10 disappear wholesale if it could not compete
11 with \$6 milk from New Zealand.

12 It is not just American democratic
13 processes and economic systems that are
14 threatened by the WTO. All WTO member
15 countries could suffer the consequences of
16 giving up control of decision-making processes
17 to the shadowing governance of the WTO. At
18 Rural Vermont, we stand in solidarity with
19 fellow citizens and farmers in Europe and Asia
20 who have been advocating for a ban on imports

21 of genetically modified organisms. Despite
22 the demonstrated power of the WTO to dismantle
23 the United States' own laws, as in the case of
24 dolphin safe tuna, turtle safe
25 shrimp and the Clean Air Act, the U.S. is

1 pushing the WTO to expand its authority over
2 new technologies. This could lead to a WTO
3 decision forcing European and Asian countries
4 with demonstrated scientific concerns about
5 the safety of GMOs to accept these dangerous
6 products for sale in their markets.

7 This type of violation, in which
8 governments are forced to ignore democratic
9 mandates and scientific evidence, cannot be
10 allowed to continue. The U.S. Government
11 should demand that the power of the WTO be
12 reduced if not eliminated and not expanded at
13 the expense of the democracy. Our own
14 government's experience in losing cases before
15 the WTO tribunals should be reason enough to
16 advocate restricting the power of the
17 institution, notwithstanding the experience of
18 Asian and European countries working to stop
19 the importation of dangerous GMOs like
20 recombinant Bovine Growth Hormone, bt corn and

21 potatoes and Round-Up Ready Soybeans.

22 Rural Vermont, as a grassroots farmers

23 organization that works to promote sustainable

24 farming and economic justice, is particularly

25 concerned about the spread of rBGH, a

1 genetically manufactured drug and injected
2 into cows to force them to produce more milk.
3 While rGBH and other GMOs may make a tidy
4 profit for giant agri-businesses like
5 Monsanto, it undermines the ability of small
6 farmers to compete in a market that is already
7 experiencing record low commodity prices.
8 The WTO is hoping to expand its agenda to push
9 GMOs on countries which have categorically
10 rejected them. rBGH will further depress milk
11 prices worldwide, taking money away from
12 farmers and putting it into the pockets of
13 Monsanto. The drug is currently banned for
14 this reason and others in the European Union,
15 Canada, Australia, New Zealand and other
16 countries. Farmer members of Rural Vermont
17 point to a growing body of evidence
18 demonstrating that rBGH is harmful to cows
19 and humans and --
20 MR. ALLBEE: Can you summarize?

21 MR. KAUFMAN: I'm wrapping up -- and
22 contributes to an over-supply of milk in the
23 U.S. This over-supply is currently driving
24 milk prices to record lows and has forced
25 farmers out of business. Other countries

1 which have banned rBGH have done so out of
2 concern for the potential economic, social and
3 environmental impacts of its use. These
4 concerns are not considered valid reasons for
5 trade restrictions by the WTO.

6 Despite the legitimate national interest
7 that governments have in promoting healthy,
8 environmentally and economically sound
9 communities, the WTO is able to override that
10 national interest. The WTO should be scrapped
11 and new trade regimes should be developed
12 which would help the environment, sustainable
13 farming, workers rights and consumer safety.

14 Thank you.

15 (Applause.)

16 MR. ALLBEE: Thank you.

17 MR. ACETO: Just a comment. I'm hearing
18 a kind of concern about our policy regarding
19 promotion of our products and our imposing
20 these products on other countries. I just

21 have to say this from my perspective as one
22 who has worked on this issue. I see it a
23 little differently. I think what we are
24 looking for around the country is a process on
25 their part that we can understand this

1 predicament. We, of course, have not
2 questioned whether the Europeans -- all we are
3 really asking for is some kind of process that
4 we can depend on so we will know whether or
5 not we are -- just to cite an example, commit
6 -- it's in fact approved by the committees,
7 and so at which time -- the from us -- is more
8 than the process. I don't see that as trying
9 to force the -- (inaudible.)

10 UNIDENTIFIED SPEAKER: We are finding it
11 hard to hear, so when you're speaking --

12 MR. ALLBEE: Detlev Koepke and Susan
13 Armiger. I apologize if I mispronounced your
14 name.

15 MR. KOEPKE: That's pretty good. Thank
16 you.

17 MR. ALLBEE: I would ask you to
18 summarize when the bell rings.

19 MR. KOEPKE: All right. Sure.

20 Hello. My name is Detlev Koepke.

21 Thanks for the opportunity of calling me to
22 speak. I am a Professor of History at the
23 Bridgewater State College in Massachusetts and
24 a former Board member of Harvest Cooperative
25 Supermarkets in Boston, Massachusetts and the

1 founder of Cooperative Market in Rosinol.

2 I want to make two comments on WTO
3 policies. First has to do, once again, with
4 the U.S. support of genetically engineered
5 foods. I strongly support a moratorium on
6 U.S. support of genetically engineered foods
7 until mandatory testing is done to assure the
8 long-term safety of these foods, which has not
9 been done, so that consumers can make informed
10 decisions about whether to buy them or not. I
11 am convinced that the genetic engineering will
12 turn out to be the thalidomide and DES of the
13 next decade; products that had original
14 government approval and later turned out to be
15 hazardous to human health. The USDA should
16 not be in the business of promoting foods
17 that have not been adequately tested. GE
18 foods have the following dangers:

19 Dr. Pusztai's research at the
20 Rowett Institute in England indicate

21 compromised immune systems and deterioration
22 of internal organs in rats fed genetically
23 engineered potatoes.
24 Cornell University studies show that 50
25 percent of Monarch butterflies died after

1 eating wind-borne pollen from genetically
2 engineered corn.

3 Thirty-seven people died from eating
4 genetically engineered triptophan supplements
5 in 1989 and 1500 were permanently disabled.

6 The pesticide Roundup used on
7 genetically engineered crops has caused severe
8 deformities in amphibians.

9 And the effects on farmers. Genetically
10 engineered crops are unstable. They have led
11 to lower yield as well as outright crop
12 failures. The American South cotton farmers
13 have lost their entire Bt cotton crops, and
14 500 farmers in India have committed suicide
15 because of their failure of GE crops. The GE
16 foods have not lived up to the claims of their
17 manufacturers for increased yields and
18 profits.

19 Economic effects. Rather than
20 increasing American exports as promised, GE

21 foods have had the opposite effects. In 1996,
22 as you well know, the European Commission
23 voted to ban the importation of unlabeled GE
24 American corn crops. As of July 1997, GE
25 crops could be imported only if labelled.

1 Austria and Luxemburg have banned any
2 importation of GE grain. Switzerland has
3 passed laws stating that all food products
4 containing GE soybeans must be labelled.
5 Denmark bans all unlabelled GE products from
6 importation. Norway has banned all GE
7 products that could cause resistance to
8 antibiotics.

9 Bovine growth hormone has been banned by
10 all Western European countries as well as
11 Australia, New Zealand, Canada and Israel. GE
12 foods are making American exports less
13 competitive, not more competitive. They are
14 shutting out American agricultural products
15 from hitherto profitable markets. As the
16 percentage of unlabeled GE foods spreads in
17 American products, other countries will
18 increase their bans. Even if WTO succeeds in
19 forcing Europeans to accept American products,
20 European and other consumers will refuse to

21 buy them. The same reaction is beginning to
22 happen in America as well as consumers become
23 more educated. Hundreds of thousands of
24 signatures have been gathered on a petition
25 for the FDA to require mandatory labelling of

1 GE foods. The more the U.S. GNP depends on
2 biotechnology, the greater the negative
3 consequences will be. This is a very high
4 price to pay for untested and unstable
5 technology. There should be a moratorium
6 until they are adequately tested. And yet
7 there is a growing market for organic foods
8 and American farmers have not taken advantage,
9 have not pushed them for it.

10 My second comment has to do with recent
11 WTO rulings imposing trade sanctions on the
12 European community for refusing to buy hormone
13 treated American meat and for special trade
14 relationships with Carribean banana producers
15 to the exclusion of Chiquita. There are many
16 good health reasons why the Europeans consider
17 the addition of hormones to meat to be a
18 public health hazard. No adequate studies
19 have been undertaken by the USDA to disprove
20 these concerns. Governments have a right to

21 safeguard the health of consumers and the WTO
22 should not be in the business of overriding
23 these legitimate concerns for the economic
24 interest of certain producers.
25 Why cannot American producers sell

1 meat to Europeans that is not treated with
2 hormones? Is not free enterprise a system
3 that gives the customer what he or she wants?

4 MR. ALLBEE: Please summarize.

5 MR. KOEPKE: Yes. Certainly.

6 I favor USDA support of farmers to
7 produce hormone-free export beef. Does the
8 USDA really want the same thing to happen to
9 American meat exports that happened to British
10 beef after the outbreak of mad cow disease,
11 which is a permanent stigma? I don't think
12 that's doing American exporters a favor.

13 I think, in short, American farmers can
14 profit more from exporting clean, safe foods
15 than from forcing other countries to accept
16 unsafe and untested foods.

17 Thank you very much.

18 (Applause.)

19 MR. SCHUMACHER: Are you from
20 Massachusetts? Drive up this morning?

21 MR. KOEPKE: We drove up yesterday.

22 Yes.

23 MR. SCHUMACHER: Two points of

24 clarification. On the hormone bF issue, we do

25 sell a hormone-free beef in Europe. They have

1 also banded that too. There's a lot of issues
2 on beef in Europe that we could spend the
3 entire day on the issue. They won't accept
4 our beef, hormone beef or the hormone-free.
5 They have banned both now, which makes it --
6 all we wanted to do was to give the European
7 consumers a choice of eating our beef in
8 Europe just as the Europeans do when they come
9 to this country. They can -- Burlington,
10 Boston, New York or Philadelphia, they have a
11 choice. And they can eat our beef. It's all
12 we ask the Europeans to do is to give their
13 consumers the same choice, organic food in
14 this country, organic food in their country.
15 We agreed that we would indicate that is a
16 product of American farms. We do have a
17 choice. Europeans deem to ban both.

18 On the second issue on the testing which
19 you raise, I'll just again read the few
20 sentences of the Secretary's speech last week.

21 I'm quoting, "Finally, two different parts,
22 I've established that the Secretary's Advisory
23 Committee on agriculture biotechnology should
24 be comprised of a cross section of 25 percent
25 of government, academia, production

1 agriculture companies, environmental and
2 consumer groups. The Committee will hold its
3 first meeting in the fall, will provide me,"
4 Secretary Glickman, "with advice on a broad
5 range of issues related to agriculture
6 biotechnology and maintaining a flexible
7 policy to be involved in biotechnology."

8 So, the Secretary, I think, is stepping up
9 to the front and providing a great deal of
10 leadership on this issue in the future. But
11 I think notwithstanding the terms of the
12 speech, he continues to caution, though, is to
13 be cautious in the future. As President
14 Kennedy said, we should not let our fears --
15 with our hopes. We should be very hopeful.

16 Several weeks ago I had this advisory
17 committee look at all this very, very
18 carefully from a number of issues. But again,
19 the Europeans have been very restrictive not
20 only on the beef issue, but they have been, as

21 Paul said, not used -- in simple science -- to
22 be compatible with the non-transparent prices.

23 I really appreciate you coming up and
24 providing this. We look forward to having
25 your testimony on the record.

1 MR. KOEPKE: What percentage of American
2 exports are actually hormone-free beef?

3 MR. SCHUMACHER: They banned beef in the
4 last 10 years, so -- and we didn't have
5 hormone-free. I think we had a quota of
6 something like 20,000 tons of beef, where we
7 managed about 12 to 13,000 tons of hormone-
8 free beef to Europe. And they banned that as
9 well.

10 MR. KOEPKE: Out of a grand total of how
11 many tons?

12 MR. SCHUMACHER: 20,000. That is the
13 grand total of non-hormone that we are allowed
14 to export. There are protections. Any
15 friends in the European Union?

16 MR. KOEPKE: That's a small percentage.

17 MR. SCHUMACHER: Granted. Hormone-free
18 or hormone beef, 20,000 tons. And we try to
19 fill that with hormone-free beef to about 10
20 or 12,000 tons. Now it's beginning to grow

21 until they again ban that as well. So, we are
22 -- the friendly Europeans -- milk and heavy
23 export subsidies, but the beef is protected.

24 Thank you very much.

25 MR. KOEPKE: Thank you. Thanks for

1 these hearings.

2 MR. ALLBEE: Can we have -- Barbara
3 Sanderson here? Suzanne Debrosse? Kathy
4 Ruhf? Jason Boehk and Susan Armiger here?

5 Again, I will ask you to summarize at
6 the bell.

7 MR. BOEHLER: I'm sorry.

8 MR. ALLBEE: I will ask you to summarize
9 at the bell.

10 MR. BOEHLER: Okay. The bell is three
11 minutes; is that correct?

12 MR. ALLBEE: Yes.

13 MR. BOEHLER: Okay. Thank you.

14 I am from Boston Massachusetts. I'm
15 here to speak as a U.S. citizen and as a
16 taxpayer. In addition, I represent Protect
17 Organic Campaign, which I'm the co-founder of.
18 I speak for hundreds of people in New England
19 who feel that the current experiment with
20 genetically modified agricultural products

21 must be stopped immediately. I am grateful
22 for this opportunity to address the U.S. Trade
23 office because your office has been the most,
24 I'm sorry to say, belligerent purveyor of
25 these transgenic organisms around the world.

1 It is our position that the current
2 manifestation of global free trade as embodied
3 in the World Trade Organization has forfeited
4 its claim to legitimacy for ethical, legal and
5 scientific reasons. I will focus my comments
6 on the issues relating to so-called
7 agricultural bio-technology.

8 The World Trade Organization has
9 demonstrated that it simply lacks the
10 scientific expertise necessary to make
11 regulatory decisions about transgenic
12 products, which represent the most radical --
13 and some argue perverse -- transformation of
14 agriculture in human history. So far, in
15 matters of dispute resolution, the WTO has
16 consistently decided in favor of nations --
17 and the multinational corporations who
18 increasingly appear to call the shots -- who
19 are rushing experimental genetically altered
20 products to market. The WTO supports the U.S.

21 Trade Office position that these products are
22 generally safe and benign. In reality, however,
23 there is systemic and well documented conflict
24 of interest, stealth, scientific bias, rush to
25 approve products for commercial use not only

1 within the WTO but also with the U.S. Trade
2 Office and the USDA, all of which makes
3 invalid these assertions of safety.

4 In support of this contention, I submit
5 the World Scientists' statement of July 15,
6 1999, signed by 85 respected scientists from
7 around the world, which calls for an immediate
8 moratorium on further environmental releases
9 of transgenic crops, food and animal feed
10 products for at least five years. Moreover,
11 they call for a ban on patents on living
12 organisms, cell lines and genes, and urge that
13 a comprehensive independent public inquiry
14 into the future of agriculture and food
15 security for all be undertaken immediately,
16 taking account the full range of scientific
17 findings as well as socioeconomic and ethical
18 implications. Into the future of ago and food
19 security for all.

20 They cite recent peer reviewed science.

21 If you want to talk about science, I really
22 sincerely urge you to read their statements,
23 sir. They are citing peer review documents,
24 very recent scientific studies by eminent
25 scientists.

1 As a summary of one point, horizontal
2 gene transfer between bacteria can occur in
3 the gut at high frequencies. That's my gut
4 and your gut. This has been demonstrated in
5 the gut of germ-free mice. The implication of
6 this is that genetically altered DNA can in
7 fact alter our own DNA.

8 As another summary, I would cite a
9 recent study on transgenic rice supports,
10 previous evidence -- previous evidence that
11 there is a recombination hotspot in the CaMV
12 35S promoter. Our comment is that transgenic
13 lines containing the CaMV promoter, which
14 includes practically all that have been
15 released, are therefore prone to instability
16 due to rearrangements and also have a
17 potential to create new viruses or other
18 invasive genetic elements. The continued
19 release of such transgenic lines is
20 unwarranted in light of new findings according

21 to these 85 sign tests.

22 I will not sit idly by, in closing I

23 would like to say, nor will many here in this

24 room, while the U.S. Trade Representatives

25 office of the WTO engage in reckless

1 irreversible experiment with our food supply.
2 What you're doing around the world is not
3 representative of our will. The British, the
4 Greeks, the Japanese and the French and all
5 other sovereign nations have every right to
6 determine what type of food they want eat.

7 I hope you will take this into
8 consideration. Thank you very much.

9 (Applause.)

10 MR. ALLBEE: Brian Tokar and Sonja
11 Schmitz?

12 I will ask you to summarize at three
13 minutes.

14 MR. TOKAR: Sure.

15 Good morning. My name is Brian Tokar.
16 I'm on the faculty of the Institute for Social
17 Ecology, Plainfield, Vermont.

18 We have heard repeatedly this morning
19 and can read in countless USDA documents that
20 the continuing prosperity of American farmers

21 depends on the continuation and the
22 furtherance of the so-called free trade
23 agenda of tariff reduction, deregulation of
24 markets and the elimination of all but the
25 most non-controversial measures to protect

1 public health and safety. I want to argue
2 that nothing could be further from the truth.

3 While some large growers and their
4 mentors at the helm of largest agribusiness
5 firms are getting rich from this agenda of
6 economic globalization, it is devastating for
7 small farmers and ordinary citizens here in
8 Vermont and throughout the world.

9 For most of human history, food has been
10 more than simply a commodity to be bought,
11 sold and traded. It has represented the
12 integrity of human cultures and communities.
13 People have grown their food with a rich
14 appreciation, gained over thousands of years,
15 of the unique qualities of their place on
16 earth; its climate, its soils, its vegetation,
17 what grows well what time of year as well, as
18 we as people's unique local preferences.

19 Today the voices of free trade would
20 have us create one worldwide market for

21 agricultural products, upon which all of
22 humanity is to depend. The results of this
23 are accelerated depletion of soils, increased
24 pollution of waterways, a food supply
25 increasingly tainted with toxic chemicals, and

1 more and more communities of people around the
2 world deprived of the right to their own
3 sustenance. The same corporations that have
4 grown to dominate the production of
5 agricultural chemicals now seek to control
6 production and trade of pharmaceuticals and
7 even seeds. The world's three largest sellers
8 of seeds are now the chemical companies Du
9 Pont, Monsanto and Novartis. They are working
10 to systematically replace the seed varieties
11 our farmers depend on with genetically
12 engineered varieties that have already been
13 shown to disrupt the balances, aggressively
14 cross pollinate with related species, harm
15 beneficial insects, and that may also be quite
16 hazardous to our health.

17 Food safety standards should only be
18 based on sound science, we are told. This
19 seems very reasonable. But whose science are
20 our standards to be based on and who will

21 carry the burden of proof? Studies of the
22 environmental and health consequences of
23 genetically engineered feeds are only
24 beginning to catch up with 20 years of
25 aggressive research to commercialize genetic

1 engineering. The more evidence we see, the
2 more it confirms what biotechnology opponents
3 have been saying all along. Scientific
4 uncertainty must not be used as a smoke screen
5 to forestall open public discussion and to
6 prevent implementation of a more precautionary
7 approach such as we need to protect the safety
8 and integrity of our food supply.

9 We are told that European fears of
10 genetically engineered foods are irrational
11 and the Europeans are told that we in the U.S.
12 support the agenda of the biotechnology
13 industry. Both of these claims are completely
14 wrong. Agriculture Secretary Glickman has
15 recently acknowledged that genetically
16 engineered crops, which benefit a few
17 corporations at the expense of our health, the
18 environment, the integrity of our agricultural
19 communities probably cannot be forced down the
20 throats of unwilling European consumers. But

21 our Trade Representative's office, with the
22 aid of the USDA representatives, continues to
23 promote the agenda of replacing the world's
24 most essential food crops with the uncertainty
25 and likely dangerous products of bio-

1 technology.

2 It is time that the put an end to this
3 thoroughly wrongheaded policy. It is time to
4 stop dismissing social necessities as trade
5 barriers. It is not acceptable that non-
6 technically treated, non-genetically
7 engineered foods just become a niche market
8 for the affluent few while more people are
9 being sold staple foods that might be
10 hazardous to grow and to consume. It is
11 unhealthy, unjust and unethical for policies
12 regarding something as basic as our food to be
13 determined only by commercial considerations.
14 The patenting of living organisms, as
15 mandated by the GATT TRIPS agreement is a
16 moral and ethical outrage.

17 MR. ALLBEE: Please summarize.

18 MR. TOKAR: Free trade in agricultural
19 products represents a race to the bottom in
20 terms of health, the environment and the

21 survival of rural communities. One more
22 sentence. Rather than continuing this agenda
23 in Seattle this fall, the cause of justice
24 demands that we replace the WTO with a truly
25 democratic entity that represents not just

1 commercial interests but the fullest
2 aspirations of all the world's peoples.

3 (Applause.)

4 MR. ALLBEE: Sonja?

5 MS. SCHMITZ: My name is Sonja Schmitz.

6 I'm a doctor candidate here at the University
7 of Vermont. I'm also a former employee of
8 Dupont, where I worked as a molecular
9 biologist in their Agriculture Biotechnology
10 Department. Today I'm representing a group of
11 citizens and activists from the northeast
12 states, as we call ourselves, New England
13 Resistance against Genetic Engineering.

14 One of the U.S. goals for this round of
15 the WTO trade negotiations is to address
16 concerns of the emergent area of agricultural
17 products created through scientific
18 innovation. The basic principles of the WTO
19 have a provision for ensuring food safety and
20 protecting the health of people, animals

21 and plants [Sanitary and Phytosanitary
22 Measures, SPS]. We at New England Resistance
23 against Genetic Engineering are concerned that
24 current standards for the safety of
25 agricultural crops do not include a provision

1 for environmental safety of genetically
2 engineered crops and that the environmental
3 risks of growing transgenic crops at
4 commercial scale have not been sufficiently
5 determined. Since the WTO places great
6 importance on substantiating risk on a
7 scientific basis, my report documents the
8 scientific literature on the environmental
9 risks of releasing genetically engineered
10 crops.

11 Forty-five to sixty million acres of
12 genetically engineered crops were grown on
13 U.S. farmland during 1988. These figures
14 represent 50 percent of all cotton, 32 percent
15 of all corn and 38 percent of all soybeans,
16 much of which was intended for export to other
17 countries. Since most of the transgenic crops
18 grown are genetically engineered for either
19 herbicide or insect resistance, my report is
20 limited to the discussion of risks associated

21 these two classes of transgenic crops. The
22 risks include the contamination of natural
23 plant populations with generically engineered
24 pollen and the effects of genetically
25 engineered insect resistant crops on

1 beneficial insect predators, particularly
2 those insects typically used in
3 integrated pest management techniques.

4 In August 1996, the American institute
5 of Biological Sciences held their annual
6 botany meeting and dedicated an entire
7 symposium to the subject of gene transfer to
8 be crop species and their relatives.
9 Scientists presented papers documenting the
10 occurrence of gene flow between crops and wild
11 species, raising serious concerns for the
12 commercialization of transgenic crops. The
13 potential for gene flow between transgenic
14 crops and their wild relatives is substantial.
15 11/18 of the world's worst weeds are also
16 grown as crops. To date gene flow from
17 cultivated plants has been documented for 14
18 different crops. While the buffer zone
19 required for field tests of genetically
20 engineered plants is only 50 meters, crop

21 genes have been detected in natural
22 populations as far as four kilometers from
23 cultivated stands. A recent study in
24 sunflowers showed that crop genes not only
25 escape but also persist in wild populations at

1 modern frequencies. After ten years, 28
2 percent of wild sunflowers growing nearby
3 harbored genes received from cultivated
4 species. Finally, genetic engineering has the
5 potential to alter the reproductive mechanisms
6 of plants. *Arabidopsis thaliana*, normally a
7 self-pollinating plant, became an out
8 crossing-species when genetically engineered
9 with a herbicide resistance gene.

10 Insect resistant Bt crops represent
11 another category of genetically engineered
12 plants under large scale cultivation in the
13 U.S. Recent experiments have shown that
14 plants engineered for insect resistance with
15 Bt toxin or plant lectins are harmful to
16 beneficial insects, such as monarch
17 butterflies, lacewings and ladybugs. A recent
18 study at Cornell found that Bt corn pollen
19 deposited on milkweed leaves resulted in a 44
20 percent mortality rate for monarch butterfly

21 larvae.

22 A group in Switzerland examined the
23 effects of Bt fed corn borers on their natural
24 predators. They found that developmental and
25 reproductive fitness of lacewings is

1 significantly reduced. Likewise, the
2 fecundity, viability and longevity of the
3 ladybugs that feed on aphids that consume
4 potatoes genetically engineered with snowdrop
5 lectin, GNA, are significantly reduced.
6 Because some of these insects are often used
7 as part of integrated pest management
8 techniques in organic farming, these
9 experiments highlight the importance of
10 determining the safety of introducing
11 transgenic crops genetically engineered for
12 insect resistance.

13 In conclusion, agricultural exports from
14 the U.S. should set the standard for the
15 worldwide trade by offering chemical-free food
16 that is not genetically engineered. We at New
17 England Resistance against Genetic Engineering
18 feel it appalling that the USDA and the WTO
19 encourages an agricultural system that not
20 only perpetuates chemical contamination but

21 also threatens genetic contamination of
22 ecosystems. It is time that the U.S. realizes
23 agricultural systems do not operate in
24 isolation of natural ecosystems and that the
25 process of cultivation is as important as the

1 agricultural products. At a time when organic
2 farmers are making tremendous strides in
3 providing chemical-free food, New England
4 Resistance against Genetic Engineering calls
5 for a ban on the genetically engineered crops
6 in the United States.

7 Thank you.

8 MR. ACETO: I just wanted to ask a
9 question, because at the listening session and
10 at that session we were trying to have some
11 farmers coming in, I guess -- so, some of the
12 concerns you were mentioning regarding genetic
13 modified crops, I was just wondering -- are
14 you finding or are farmers expressing this
15 concern -- (inaudible)

16 SPEAKER: I don't know what he said.
17 Concerns here in the northeast on issues that
18 relate --

19 MR. TOKAR: Well, there is very little
20 information about the experience of people

21 actually using genetically engineered crops
22 here in this region. We do know from our
23 experience in Vermont with bovine growth
24 hormone several years ago, farmers were really
25 in the forefront of the opposition to the

1 approval by the FDA of bovine growth hormone.
2 And even though Monsanto has been aggressively
3 promoting this product to farmers here in
4 Vermont, there are really very few who are
5 actually using it.

6 On the current generation of engineered
7 crops, I'm familiar with many of the studies,
8 which I know -- which I'm sure you're familiar
9 with as well. The one from the University of
10 Wisconsin that demonstrated that yields are
11 lower. Other evidence that rather than
12 decreasing pesticide, pesticide use with the
13 Bt crops is, as Sonja mentioned, is the same
14 or higher.

15 MS. SCHMITZ: Another reason that the
16 information on farmers using genetically
17 engineered crops here in the northeast is
18 difficult to come by is that the agricultural
19 tech companies are not always explicit that
20 the crops that they're selling farmers in this

21 region are genetically engineered.

22 MR. SCHUMACHER: Let me -- you used to

23 work for Dupont?

24 MS. SCHMITZ: If you look at the trade

25 names these crops are sold under as seeds,

1 they are not explicitly labeled as genetically
2 engineered crops, so farmers are not always
3 aware that that's what they are growing.

4 MS. SCHUMACHER: But you could you bring
5 specific examples to my attention in
6 Washington. I'm not -- usually these have to
7 be labeled. I'm not a specialist but my
8 understanding is seeds that are GMO's are
9 interrelated. So, if you're finding evidence
10 in the northeast that there may be some seeds
11 that have been bioengineered that are not
12 labeled, would you bring that to my attention?

13 MS. SCHMITZ: I'll be glad to do that.

14 MR. TOKAR: We have looked at some of
15 the catalogs and advertisements and the
16 various trade journals that -- all of our
17 farmers, as you know, get lots of them in the
18 mail every week. And these crops are
19 advertised as herbicide tolerant and pest
20 resistant, but nowhere in the text does it

21 mention genetic engineering. And I have heard
22 anecdotal accounts of farmers who have been --
23 have had salesmen come to them and attempt to
24 sell these seeds without mentioning genetic
25 engineering at all.

1 MR. SCHUMACHER: I need to get
2 clarification. If you could bring me examples
3 of what you feel -- seeds that are bio-
4 engineered that are sold and labeled as seeds.

5 MR. TOKAR: Sure.

6 MR. CUMMINGS: Bob, I understand these
7 sell at a premium in our market, particularly
8 if they are going to enter export markets.
9 So, we would appreciate some information on
10 that.

11 MR. TOKAR: We are confident here in
12 Vermont that the issue of genetic engineering
13 in agriculture has had a high enough profile
14 that were these seeds clearly labeled, nobody
15 in Vermont would be growing genetically
16 engineered crops.

17 MR. ALLBEE: Thank you.

18 Barbara Sanderson, Suzanne Debrosse,
19 Kathy Ruhf, Susan Armiger, Mark Lorenzo.

20 I would ask you to summarize at three

21 minutes.

22 MR. LORENZO: Good morning. I
23 appreciate this opportunity to present our
24 views to the United States Department of
25 Agriculture and the U.S. Trade

1 representatives.

2 I'm Martin Lorenzo, Northern Forest
3 Project Manager with the National Wildlife
4 Federation, the nation's largest member
5 supported conservation education and advocacy
6 organization. Our members are America's
7 mainstream and main street conservation
8 activists who understand the link between
9 sustainable economic development and
10 environmental protection.

11 These regional listening sessions come
12 at an important time in American history. For
13 years we have negotiated international trade
14 and investment agreements as if they were
15 independent from their impact on wildlife and
16 natural resources they need. We have assumed
17 that more trade is always better because we
18 believe that more trade brings greater wealth
19 for all people. To that end, U.S. trade
20 policy has focused on eliminating national

21 policies that stand in the way of efforts to
22 trade more and more products and services.
23 In many cases, more may be better,
24 especially when we are talking about the
25 plight of the world's poor. Increased access

1 to international markets allows them to sell
2 their goods and services in the global
3 marketplace. But in the new era of global
4 economy, we are learning the impact that
5 globalization has on our efforts to protect
6 the environment and we understand that
7 liberalizing trade can bring significant
8 environmental costs. We now understand that
9 trade liberalization increases the pressure to
10 turn wild spaces into farmland, family farms
11 into factory farms, and wild forests into tree
12 plantations.

13 The National Wildlife Federation
14 believes the scope and direction of U.S. trade
15 policy must be changed so that it promotes
16 healthy economies and cleaner environments.
17 Economically sound trade policy must respect
18 the environment and the communities affected
19 by the trend toward globalization.

20 In my written testimony I represent

21 fully the National Wildlife Federation's
22 agenda for environmentally responsible trade.
23 In brief, all future trade negotiations
24 must accomplish the following:
25 Involved participation of environmental

1 ministry on equal footing with trade
2 ministries.

3 The WTO should set a floor for national
4 environmental standards, not a ceiling for
5 national standards.

6 Allow explicit deference to multilateral
7 environmental agreements addressing shared
8 international environmental issues, such as
9 sittings that protect the trade environments of
10 endangered species, trading environment areas
11 as part of an overall trading environment
12 agenda. For example, proposed forest products
13 tariff reforms, trade agreements should reward
14 exporters of products with high local value
15 added content and discourage that which
16 neither serves the communities nor their
17 forests.

18 Commit to minimize the impact on
19 environmental laws. The WTO prohibition on
20 -- and protection and process methods. In

21 this area we believe that the right of
22 consumers to access information on production
23 methods and environmental impacts, for
24 example, through language like that enforced
25 corresponds closely to the economic accent

1 that full litigation is a necessity for
2 efficient markets.

3 Each of these five points are addressed
4 in the written comments. We urge the United
5 States Department of Agriculture and the
6 United States Trade Representatives to
7 consider and adopt the recommendations we have
8 made for responsible trade and negotiations.
9 Unless WTO member nations embrace the agenda
10 for environmental reform on the WTO, we
11 believe it will not earn the support needed to
12 negotiate that can convince people that trade
13 utilization works for them.

14 In conclusion, for the members of the
15 National Wildlife Federation and our many
16 affiliated state organizations, such as the
17 Vermont Natural Resources Council, the
18 question is not whether to trade, but under
19 what rules the trade and investment serve to
20 promote a healthier environment, maintain

21 family farms and healthier communities. Trade
22 is not an end in itself. Trade is a tool to
23 achieve human aspirations, to improve
24 standards of living, to enhance the quality of
25 life. Our environment and wild places and

1 wildlife, diminish them and you diminish our
2 standard of living. Trade rules are
3 self-defeating if they force us to trade those
4 things we value most highly, the clean air,
5 clean water, the open living places that give
6 quality to life. Trade should be an
7 investment in a better way of life, not the
8 license to degrade those things in which a
9 healthy life depends.

10 Thank you.

11 MR. ALLBEE: Thank you.

12 MR. SCHUMACHER: Let me ask you one of
13 the issues you raise. I think that it's very
14 important. And that is the third issue, if I
15 recall, on more value added forest products.
16 That is one of the issues that we are working
17 on very hard. Japan is resisting this
18 enormously because they basically want the
19 hard woods out of Malaysia, Indonesia, the
20 hard woods out of Vermont and Appalachia, they

21 will take the trees, the logs. And in
22 Portland -- and the number of hard wood that
23 goes out of Portland is lost. It should be
24 going out to furniture or adding value here.
25 So, I really appreciate your comment on that

1 one. It's something we really have to work
2 hard. We are not getting on very well. Any
3 pressure you can bring to bear on our friends
4 across the pond would be greatly appreciated.
5 I feel strongly about that. I think we share
6 a common --

7 MR. LORENZO: I appreciate that. Let us
8 harmonize our standards with our Canadian
9 friends and the standards between the eastern
10 states and the western states regarding raw
11 log exports as a first step towards that.

12 Thank you.

13 MR. ACETO: Can I actually -- you
14 mentioned about the environmental, I think
15 that's part -- I don't understand. In
16 opposition that it -- that is kind of
17 interesting because we -- (inaudible)

18 MR. LORENZO: As I said, the environment
19 ministries need to be involved as the labor
20 industries on equal footing. How that becomes

21 implemented is, I think, up to WTO
22 recommendations. As I said, I think that WTO
23 can establish some kind of floor for national
24 standards, but no way should limit the ability
25 of nations and national sovereignties to set

1 their own standards for environmental labor
2 protection.

3 MR. ALLBEE: Thank you. Paul Percy and
4 Michael Voss?

5 Again, I'll ask you to summarize at
6 three minutes, please.

7 MR. PERCY: Good morning. My name is
8 Paul Percy. I'm an area farmer from Stowe,
9 Vermont. Director for Agrimart, also the
10 Treasurer of Agrimart. Agrimart is a
11 cooperative that owns Cabot Cooperative
12 Creamery, which produces cheese, and we were
13 one of those groups that did export some
14 cheese to England.

15 I'm here concerned, and based on my own
16 knowledge of the cooperative, and I'm
17 concerned about the Canadian situation. I
18 heard a comment here a couple of times this
19 morning, one was; ship milk to Montreal. The
20 other was; sell Ben & Jerry's ice cream to

21 Canada. I hate to say so, but I don't think
22 there is any market up there for anything.
23 It's kind of like us talking about selling
24 cheese to Wisconsin. There is more cheese in
25 Wisconsin than there is people out there to

1 eat it. There's more products in Canada than
2 there is people to eat that product. There is
3 more milk being produced in Canada now than
4 they could probably use up there. And all
5 that's going to happen if we ship it up there
6 is to offset that product with milk they don't
7 need. And if you open up the borders, you let
8 that milk flow south down here. I, as a
9 farmer, am going to lose my markets for my
10 milk because I cannot compete on these hills
11 in Vermont for milk from prime flat
12 agricultural land and the thousands of acres
13 between here and Montreal that is capable of
14 producing milk if they open up those markets
15 and let it flow.

16 And granted, price of milk in Canada is
17 a lot higher today than it is in the states.
18 But if you took their quota system away from
19 them, somehow that quota system will have to
20 be destroyed or disposed of, done away with,

21 in order for us to sell products into Canada.
22 And Canada is not going to step back and say;
23 they are good guys. Let them sell it here.
24 They are going to fight back. And they are
25 going to fight back by doing away with the

1 quota, letting the farmers produce milk. If
2 they do that, they will be able to produce
3 milk and take our markets away. We might sell
4 into Canada for a short period of time and
5 make money doing it. Because they will take
6 the time, the quota system, get the price of
7 milk down to our price of milk.

8 But the truth of the matter is that will
9 not happen because Canada supports their
10 agriculture up there and they will come up
11 with a way to eliminate that quota system and
12 allow their farmers to produce milk the same
13 as we produce it here. If that happens, we
14 can't compete with them. They have got better
15 land, a longer growing season up there, and
16 they have got everything that we have got. We
17 will lose milk and supply it down here.

18 Furthermore, there is a company by the
19 name of Spudo in Canada that is coming into
20 the states that has bought -- well, four or

21 five cheese plants. They have one right in
22 Hinesburg, 20 miles from here, 15 maybe. Big
23 cheese plant, modernizing and developing. In
24 my opinion, the only reason they are down here
25 buying the cheese plants is when the borders

1 get opened up, they can bring milk out of this
2 whole Quebec area right into this cheese plant
3 in Hinesburg and produce cheese to sell
4 nationwide with Canadian milk.

5 I think WTO has to take a real close
6 look at how we are fighting all of their
7 regulations and their negotiations. We have
8 appealed it two or three times. And we have
9 lost them all except the last one. The last
10 one I guess we won. But it's a tough issue,
11 it really is, to deal with. But the long term
12 of it all is I'm afraid of my market and the
13 loss of it.

14 MR. SCHUMACHER: I think this is -- I
15 appreciate the last few years we have heard
16 from the industry the reverse and today we are
17 hearing a little different view on the
18 Canadian market. So, Paul and I and Bob will
19 take that back and I think what we want to do
20 is, Bob Arlington and others of the

21 economists, is perhaps do a little more
22 detailed study on what would occur if we were
23 able to get access to that Canadian market if
24 what you're saying would occur. We need some
25 analysis and deepen that a little bit. And I

1 appreciate that. We will do that analysis.

2 Carol Goodloe is here. Continuing carefully
3 to do that.

4 Today we are under pressure by the dairy
5 industry to be a lot tougher on the next
6 round of WTO and get that market dumped in
7 Canada. We have heard a couple testimonies
8 today that maybe we should change the policy,
9 but caution. So, I think we need to do some
10 analysis and I appreciate your coming to us.

11 MR. PERCY: I realize it's a very
12 complicated issue. It's not only complicated
13 in Canada, it's complicated with the European
14 common market. The whole thing is very
15 complicated. And as a per se farmer, I don't
16 know enough about it really to make a lot of
17 sense. But one thing I do know is long term
18 if you open up this milk supply freely between
19 Canada and the United States, more milk will
20 flow out of Canada into my market than we will

21 ever think of selling in Canada. There's only
22 30 million people in the whole country. It
23 isn't a very big market. They can produce
24 milk enough for probably Quebec to supply the
25 whole 30 million plus my market. There is a

1 tremendous amount of land up there, a
2 tremendous amount of potential to produce
3 milk.

4 MR. SCHUMACHER: Ron and Bob and -- for
5 many, many years -- don't know -- (inaudible.)

6 MR. PERCY: I will be honest with you.
7 I'm one of the few that talks about that. In
8 this case we are going to have a big expansion
9 of the market. I don't believe that, for one,
10 long term it's going to work the other way.
11 Because the Canadian government -- and also
12 maple producers, they can produce maple syrup
13 in Canada cheaper than down here and sell it
14 to us guys. And they will produce milk and
15 cheese and all them products up here cheaper
16 and ship it down here if them markets ever
17 open up. They have free access, they are not
18 under our quota system and they can just
19 produce the volumes that come out of Canada.
20 And I believe that Spudo, who owns this cheese

21 plant here in Hinesburg, along with four or
22 five others across the country -- it's not
23 just this one. I believe what they are
24 thinking is; here's a cheese plant right now
25 Agrimart is selling milk. But long term, if

1 they ever open up the borders, they have got
2 an instant market for milk. That cheese can
3 be sold across the United States to every
4 producer in this country. That's my thinking
5 on the whole thing.

6 MR. GRAVES: Paul, I appreciate your
7 comments on this. I share some of the same
8 concerns I've heard expressed from others. I
9 think we need to, as Secretary Schumacher
10 suggested, do a pretty careful analysis of
11 that. There is probably the potential for
12 some short-term gain initially. But I do
13 share some of those same concerns that you
14 have.

15 I would also, on behalf of the others on
16 the listening panel up here, encourage any
17 thoughts on how we deal with that issue from a
18 trade and world trading standpoint. On the
19 one hand, we know that we have to advocate for
20 a position at this point that moves

21 approximately a third of our U.S. agricultural
22 production into export markets because of
23 production levels in this country. On the
24 other hand, you advocate for protectionism
25 from our northern trading partner. We have

1 the same issue up in the upper midwest, the
2 Dakotas, in that area. We welcome any
3 thoughts and inputs that you have on the
4 entire picture.

5 MR. PERCY: I know it's a very
6 complicated issue. There is a lot to it. I'm
7 not sitting here looking at it from just the
8 point of my market. I am very concerned about
9 the fact that milk won't flow north. Milk
10 will flow south. We won't be shipping up to
11 Montreal. Milk will be come from Montreal
12 down here, is the direction. I'd bet my farm
13 on that.

14 Thank you.

15 MR. ALLBEE: I think we have seen Paul's
16 farm. It's beautiful. You might want to take
17 a peek. Beautiful farm. I understand the
18 Congressman and Senator is out of Washington,
19 so Congressman Sanders is at the airport. And
20 we have Jenny Nelson.

21 MS. NELSON: Good morning. Apologize
22 that Mr. Sanders couldn't be with us this
23 morning more than you'll ever know. But I do
24 have a statement.
25 MR. ALLBEE: Just identify yourself for

1 the record.

2 MS. NELSON: My name is Jenny Nelson I'm

3 a congressional aide for Congressman Sanders.

4 I'm a dairy farmer from the other side of the

5 state. We milk 150 cows.

6 MR. SCHUMACHER: Which town?

7 MS. NELSON: Ryegate.

8 I am pleased the United States Trade

9 Representative and the United States

10 Department of Agriculture chose the State of

11 Vermont as one of the 11 or 12 listening

12 sessions on global trade.

13 In my view, the World Trade Organization

14 and the North American Free Trade Agreement

15 have been a complete disaster for the average

16 American citizen, especially the family

17 farmer. NAFTA turned a trade surplus with

18 Mexico into a trade deficit very quickly, and

19 doubled the trade deficit we have with Canada.

20 Now the same economists who conducted studies

21 telling us how wonderful NAFTA was going to be
22 are saying; maybe we were wrong. When you
23 pass an agreement that creates huge deficits
24 and job losses instead of job gains, you are
25 wrong.

1 Family farmers are continuing at the
2 short -- continually at the short end of the
3 stick when it comes to these trade agreements.
4 Between 1996 and 1998, U.S. farm trade
5 balances declined by more than 13 billion
6 dollars. And in March dairy farmers were hit
7 by the single largest reduction in the price
8 of milk in history. This represents a 37
9 percent drop in the salaries of Vermont dairy
10 farmers.

11 Prices of other agricultural commodities
12 have fallen even further. For example, U.S.
13 corn prices have dropped by 56 percent from
14 1996 to 1998, and wheat prices have been
15 reduced by 46 percent over the same period.

16 Under the Uruguay Round, farm prices
17 have plummeted threatening family farmers
18 worldwide and causing many citizens in
19 developing countries to go hungry. Important
20 food safety measures have already been

21 successfully attacked under the World Trade
22 Organization's sanitary rules and more
23 challenges have been threatened.
24 Those who say farmers should look to the
25 free market for their price should know full

1 well that the market isn't free in
2 agriculture. Everywhere the farmers look, you
3 have a few large farms, whether it be dairy or
4 whether it be livestock producers, whether it
5 be grain farmers, a few large firms dominate
6 over 50 percent of this market. The deck is
7 stacked against family farmers. And this
8 situation has forced many small farmers to
9 either go bankrupt or to sell their family
10 farm. Between 1994 and 1997, the United
11 States experienced a net loss of about 22,000
12 farms. In Vermont, 460 dairy farms have been
13 lost since 1990.

14 In Vermont and in rural communities
15 across our country, the loss of small dairy
16 farms destroys our state character, our rural
17 economy, and the commitment to family and hard
18 work that are deeply rooted in the family
19 farm. It is critical that our small dairy
20 farmers survive.

21 An essential part of ensuring survival
22 of small dairy farmers is the survival of the
23 Northeast Dairy Compact. I am very concerned
24 that the Northeast Dairy Compact could be
25 threatened by the World Trade Organization.

1 In recent years, WTO has forced changes in the
2 Clean Air Act, the U.S. Dolphin Protection
3 laws and U.S. Turtle Protection laws.

4 And just last month a large group, a
5 large multi-national company, won a lawsuit
6 against the State of Massachusetts citing the
7 World Trade Organization. Massachusetts was
8 simply trying to boycott companies doing
9 business with Burma, a country with a
10 deplorable record of human rights, for bidding
11 on state contracts.

12 What would happen if a group of large
13 factory farms banded together and filed a
14 complaint with the World Trade Organization
15 charging that the Northeast Dairy Compact
16 violated the WTO agreement? Let's hope we
17 won't have to find out. And we should not
18 have to find out. Federal laws, state laws
19 and local laws should not be overturned by a
20 World Trade Organization decision.

21 I have fought against the World Trade
22 Organization for many years because I strongly
23 believe that the people of this country have
24 the right to enact legislation, such as the
25 Northeast Dairy Compact, without the intrusion

1 of a secret, unelected bureaucracy at the
2 World Trade Organization.

3 At a time when more and more Americans
4 do not vote and feel increasingly alienated
5 from the political process, we must try to
6 make our local, state and federal governments
7 more democratic and more responsive, not less.

8 The people of this country have a right to
9 maintain a level of agricultural subsidies and
10 food safety standards that they feel are
11 appropriate. And these standards should not
12 be subject to challenge through the World
13 Trade Organization by other countries. The
14 people of this country have a right to protect
15 American workers throughout the country
16 without being challenged by some corporations
17 who are out to destroy the family farmer and
18 other American workers on the altar of free
19 trade.

20 Unfettered global deregulation of trade

21 and investment is not working for the majority
22 of the world. Clearly, the answer to the
23 current failing is not to pursue more of the
24 same through expansion of World Trade
25 Organizations to new areas and deepening of

1 deregulation already in place. Rather, the
2 United States must take the lead at the world
3 trade Ministerial Conference this November in
4 developing policies devoted to raising living
5 standards around the world and promote new
6 citizen health, safety and environmental
7 safeguards through accountable democratic
8 governance.

9 Will Rogers once said, "When there is no
10 place left to spit, you either have to swallow
11 your tobacco juice or change with the times."

12 Well, there is no place left to spit.
13 That is why the administration must change
14 with the times. Specifically, the
15 administration must advocate eliminating
16 World Trade Organization provisions that
17 attack democracy, that attack the family
18 farmer, and that attack the standard of living
19 for the overwhelming majority of hard-working
20 Americans in this country. And the perfect

21 opportunity to do this is with World Trade
22 Organization Ministerial Meeting in Seattle in
23 November.
24 Thank you.
25 MR. ALLBEE: Thank you. Do we have

1 Betsy Gentile? Leanne Ponder? Joseph Gainza?

2 Ellen Kahler? Ron Morrisette? Ron.

3 Three minute buzzer, I'll ask you to

4 summarize.

5 MR. MORRISSETTE: Okay. My name is Ron

6 Morrisette and I'm a retired dairy farmer.

7 I'm also a Board member. My dairy farm is in

8 New York.

9 I came to this hearing today because I

10 believe that our current trade policy is

11 misguided and the direction of our current

12 agricultural trade policy will lead to the

13 destruction of the independent family operated

14 farm and the loss of one of this country's

15 greatest strengths, the independent family

16 operated farm.

17 I will briefly go over the reasons I

18 believe this will happen. I also believe that

19 the current policies will result in

20 environmental damages and do not encourage

21 farmers to use sustainable farming principles.

22 The WTO is not a democratic organization

23 that allows impute from all sectors of the

24 agricultural community, consumers and

25 environmental interests. Decisions by the WTO

1 are made behind closed doors, not in open
2 meetings that allow the public access to the
3 decision-making process. The WTO is
4 controlled by the multi-national corporations
5 that benefit low producer prices and trade
6 policies that allow them to pit farmers from
7 different areas of the world against each
8 other.

9 Also, the WTO has power to overrule laws
10 put in place by local governments to protect
11 the agricultural resources and environmental
12 resources of the region. As an example, the
13 WTO could conceivably declare the Northeast
14 Dairy Compact an illegal trade barrier and
15 require the Compact to be dismantled. It also
16 has the power to overrule the laws put in
17 place to protect the environment, such as the
18 outlawing of the use of certain types of
19 fishing nets by the U.S. to protect dolphins.
20 That law was overturned by the WTO after

21 Mexico. The current rules of the WTO do not
22 allow member countries to protect their own
23 consumers from unsafe production practices in
24 foreign countries and dictate that member
25 countries must allow foods that are produced

1 using hormones and genetically altered crops
2 that are not sufficiently tested to prove that
3 they are safe over the long term.

4 Food security of its member
5 nations should be the number one goal of the
6 WTO. Current policy results in the citizens
7 of the world being put at the mercy of profits
8 of the multi-national corporations. Without
9 having protections in place to protect the
10 producers of our food from devastating low
11 prices, such as the current situation in
12 Vermont, family farmers are not able to make
13 investment decisions to stay in production and
14 provide an adequate living for their families.

15 NAFTA and the reform in the GATT were
16 portrayed by the USDA administration as a way
17 for farmers to improve their incomes.

18 Currently the prices that farmers receive for
19 their products are at an all-time low. It is
20 time the USDA and the administration in

21 Washington provide some answers and leadership

22 in agricultural and trade policies.

23 Thank you.

24 MR. GRAVES: Ron, I was going to ask

25 Jenny this question but didn't have a chance.

1 Since you raised the issue again, I would like
2 to ask you. We would welcome any input that
3 you might have.

4 You raised the issue of the possibility,
5 at least, that the WTO might find the Compact
6 to be out of compliance with or not consistent
7 with the WTO agreements that we currently are
8 operating under. I wonder if you would care
9 to expand on that if you have firsthand
10 knowledge that that is the case, because
11 that's not my understanding. If you do have
12 that information, I would like to be one of
13 the first ones to know. Obviously, as hard as
14 we worked for that instrument and its
15 continued opportunities here in the northeast,
16 I certainly want to know if there is any issue
17 they're pursuing at this point in time.

18 MR. MORRISSETTE: Well, I don't think
19 that I have any access to information that you
20 don't. But it's certainly been the case that

21 the laws and supports under the WTO that
22 support farmers are illegal. They aren't
23 supposed to subsidize. And I see that
24 Northeast Compact would be -- could be looked
25 at that way and challenged from that

1 standpoint.

2 MR. CUMMINGS: I would say in that
3 regard, that put on disciplines for
4 restrictions on the ability to subsidize their
5 agriculture, but subsidies within those limits
6 are still permitted. So, it is not simply a
7 ban totally on all subsidies for domestic
8 agriculture in the WTO. And to our knowledge,
9 no one has challenged the Compact.

10 MR. MORRISSETTE: That's just up to this
11 point. We can't assume that will not happen
12 in the future.

13 MR. CUMMINGS: Well, obviously you
14 believe -- we will obviously defend our
15 domestic exports.

16 MR. MORRISSETTE: We know there is
17 really strong opposition from all the midwest
18 and the large -- and some of the large
19 processors. It's very conceivable that they
20 could challenge that as a trade barrier. They

21 are already saying that. You know, they
22 haven't brought it to a boil. But I could see
23 where it might happen.

24 MR. GRAVES: I do suspect, Ron, also
25 there is the difference between direct

1 government payments of subsidization as
2 opposed to a mechanism that provides an
3 opportunity for broad consumer support coming
4 directly out of marketplace. But you bring up
5 a valid point and we certainly will be looking
6 for that and watching that issue pretty
7 carefully.

8 MR. CUMMINGS: Bob, if I could just
9 address another one of your points, which I
10 think some individuals before you raised.
11 That's the issue of secrecy or transparency in
12 the WTO. We have been pushing that. The WTO
13 needs to be a little a more open organization.
14 So, we have been pushing several transparency
15 issues allowing the opening of the WTO
16 sessions to the public, putting -- making more
17 available to the public documents among the
18 WTO, including -- if Americans are going to
19 have support for the WTO, it needs to be an
20 open and transparent process. We are meeting

21 with some opposition from other countries who
22 don't share our views, but that doesn't mean
23 it's going to stop. And we are going to
24 continue to press for the WTO to be an open
25 organization because we have -- there is no

1 need for it to be otherwise. It needs to be
2 an open organization so everyone can see
3 what's going on. We are going to continue to
4 press that.

5 MR. MORRISSETTE: Thank you.

6 MR. ALLBEE: Joseph Gainza and Ellen
7 Kahler.

8 I would ask you to identify yourself and
9 you have three minutes and I'll ask you to
10 summarize at the end as the clock goes off.
11 Ellen, would you like to go first?

12 MS. KAHLER: Thanks for this opportunity
13 to address the U.S.

14 MR. ALLBEE: Would you please identify
15 yourself?

16 MS. KAHLER: My name is he will Ellen
17 Kahler. I'm a Director of the Peace and
18 Justice Center based here in Burlington. I
19 have been the Director of the Peace and
20 Justice Center for the last nine years. We

21 are an educational non-profit organization,
22 1200 members focusing primarily on economic
23 and racial justice here in Vermont.

24 A contributing factor to our focus on
25 economic justice, and in particular livable

1 wages for Vermont working people, grew out of
2 our effort in the early '90s to educate our
3 congressional delegation and fellow Vermonters
4 not to support NAFTA and GAP. We believe that
5 free trade does more harm than good for local
6 democracy, family farms, the environment and
7 working class people.

8 The financial benefits accrued by U.S.
9 multi-national corporations does not equitably
10 trickle down to those who enable such trade to
11 exist in the first place, namely, workers,
12 farmers and consumers. In our well-accepted
13 multi-phase research product, we have
14 documented what it costs to live in Vermont
15 through a bare bones basic needs budget, and
16 thus, what wages would needed for a full-time
17 worker to be economically self-sufficient.
18 According to our research findings, 20 percent
19 of all full-time working Vermonters do not
20 make at least \$17,000 a year or 8.10 an hour.

21 83 percent of all single parents with two
22 children do not earn at least \$32,000 a year,
23 and even with both parents working, 21 percent
24 of all four-person households in Vermont do
25 not earn at least \$21,000 a year or the

1 equivalent of 9.82 for each worker.

2 This state deplores the fact that in
3 Vermont there are not enough wage jobs for all
4 those who want and are able to fill them.

5 Overall, our wages are depressed and our cost
6 of living is high. A contributing factor to
7 our wages, we believe, has to do with the
8 overall transglobalization. While access to
9 new markets has assisted some small businesses
10 in Vermont and milk products, because of the
11 lack of a fair wage throughout the world,
12 Vermonters are forced to compete against
13 workers of developing countries making 30 to
14 80 cents a day.

15 The concept of a level playing field is
16 a joke as small locally owned businesses
17 anywhere in the world cannot compete against
18 large multi-national corporations who enjoy
19 economies of scale and virtual market
20 monopolies. We believe that the USDR should

21 work to develop international wage standards
22 that allow families to be economically self-
23 sufficient, to work in work sites with high
24 health and worker safety rules, to have access
25 to education and training programs and allow

1 them to improve themselves over time, to form
2 a union and negotiate a fair contract if they
3 so choose, to be treated fairly and with
4 respect by the employers and to -- child labor
5 rule. These basic and fundamental principles
6 should be championed by the USDR in its
7 negotiations at the WTO.

8 Another factor locally on economic
9 justice issues is our belief that by
10 strengthening and diversifying our local
11 economy, Vermont and Vermont businesses will
12 be less dependent on the global marketplace
13 and, therefore, shielded from its vagaries
14 over time. The more control we can retain
15 over our local economy, which is inextricably
16 linked to our environmental history, our sense
17 of place, our belief in people before profits,
18 the better off fellow Vermonters will be. But
19 we are not insulationists, we are for local
20 control based on the principles of democracy.

21 Thus, we oppose any efforts to further limit
22 Vermonters' ability to choose whether or not
23 they want to buy products tainted with RBGH,
24 and maybe the international norm or to limit
25 in any way the laws and regulations which the

1 Vermont Legislature as an elected body may
2 choose to adopt. We view democracy and the
3 ability to choose what we do and do not want
4 to be part of rather than the choice being
5 limited or moved simply because it is not good
6 for the corporate bottom line.

7 We believe that what is good for people
8 and the environment can also be good for the
9 bottom line. These things are not mutually
10 exclusively. For too long public policy has
11 been made under the assumption that this or
12 that rather than this and that. We believe
13 the USDR has an obligation to support survival
14 of family farms, local economies, state
15 sovereignty, consumer rights to know, the
16 Vermont workers' rights to fair wages as
17 fundamental assumptions under which normal
18 national trade rules are negotiated. These
19 are not, they should be primarily concerns
20 which lend the need to fair trade among all

21 people of the world.

22 Thanks for the opportunity to talk.

23 MR. GAINZA: I'll try to be brief. My

24 name is Joseph Gainza. I'm a Field Secretary

25 of the American Friends Field Service

1 Committee in Vermont. I'm not a trade
2 specialist. I'm here to speak about what I
3 consider to be overarching concerns which must
4 be discussed.

5 Trade investment should not be seen as
6 ends in themselves but as means to promote
7 ease. Towards this end, citizens in all
8 trading nations must have the right to
9 participate in the formulation, implementation
10 and the evaluation of international, social
11 and economic policies. The goals of trade is
12 the health and well being of all people,
13 reduced inequality within and amongst nations
14 and the establishment of environmentally
15 sustainable societies. All trade agreements
16 must be informed by the realization of the
17 inequality of consumption patterns within
18 nations and between nations and the
19 understanding that the natural environment
20 could not support worldwide consumption levels

21 which presently exist amongst the middle and
22 upper classes of the industrialized nations.

23 I'm very concerned that none of the
24 listed goals of the United States for the next
25 round of trade negotiations in Seattle

1 explicitly mention the democratic
2 participation for human and environmental well
3 being. To be specific, I believe that
4 international trade should be premised on the
5 following principles:

6 Human rights. The nations of the World
7 Trade Organization should have a human --
8 common human rights agenda to ensure full
9 implementation and enforcement. This agenda
10 should promote the broadest definition of
11 human rights offering civil, political,
12 economic, social, cultural and environmental
13 rights, and rights relating to indigenous
14 peoples and communities. The international
15 trade agreements should allow governments to
16 channel investments towards environmentally
17 sustainable economic activities while
18 establishing plans for gradual internalization
19 of the social and environmental costs of
20 sustainable production and consumption.

21 Labor, international. Should include --
22 that guarantee the rights of working men and
23 women, ensure proper assistance for
24 adjustments as markets are opened up and to
25 promote the improvement of working and living

1 standards for workers and their families,
2 including the livable wage, the right to
3 organize and form unions and to have a voice
4 in the development of the trade policies.

5 Agriculture policy. Trade unions should
6 seek to strengthen each nation's agricultural
7 sector, making them more food self-sufficient.
8 Countries should have the right to protect or
9 exclude staple foods from trade agreements to
10 maintain a system of small family farms,
11 farming cooperatives and agricultural
12 diversity and to employ agricultural practices
13 which do not degrade the environment.

14 Measures should also support financial
15 assistance for agriculture, strengthen
16 protections for agricultural laborers and
17 traditional rights of indigenous peoples.

18 I realize my time is running out.
19 Issues around the issues of immigration, role
20 of the state, international trade unions

21 should not undermine the ability of the state
22 to meet the citizens' social and economic
23 needs. There are also investment concerns,
24 finance concerns, sustainable energy
25 development, market access and enforcement and

1 dispute resolution. They are part of my
2 printed statement, so I won't go into that now
3 because I'm running out of time. I just
4 want you to know that the primary concern of
5 agricultural policy must be feed and give
6 proper nutrition to every person. That should
7 be it's primary concern. After that, if
8 there's any profits to be made, so be it. But
9 we must feed the people first.

10 Thank you.

11 MR. SCHUMACHER: One brief question. I
12 appreciate you're very careful with the
13 written statement. It does not include
14 helping hungry people when there's shortfalls
15 in food like we are seeing in Sudan from time
16 to time. Do you have a position on temporary
17 food, food support?

18 MR. GAINZA: If I understand the
19 question correctly, you mean should there be
20 available to the countries that have people

21 who are not properly fed a formal assistance

22 to those countries?

23 MR. SCHUMACHER: On a temporary basis

24 there is right now at the -- there's all kinds

25 of problems with Sudan, the violence there.

1 We have been a generous country over the years
2 in providing temporary and transitional food
3 assistance to appropriate --

4 MR. GAINZA: I would say, of course, we
5 would want people to be fed in an emergency
6 situation. But the long-term goals of the
7 American foreign policy should be to help
8 those countries to become more food secure
9 insofar as developing their own agricultural
10 sector so they are not faced with these
11 crises.

12 MR. SCHUMACHER: We agree with that. We
13 have an action plan on food security in both
14 the United States and overseas. I'll send
15 that to you.

16 MR. GAINZA: I would appreciate it. I
17 think you realize that a global economic
18 system based on competition between nations
19 means that some nations are going to win and
20 others are going to lose. When it comes to

21 issues such as food and health care, there
22 should be no winners and losers, everybody
23 should be -- the global economy should work
24 toward making everybody win in those areas.
25 And right now I don't see the global economy

1 doing that. I see it working toward the
2 benefit of transnational corporations.

3 MR. SCHUMACHER: One area. When there
4 are food shortages -- the crisis was very high
5 in '95 and '96, friends in the European union
6 put export taxes on their wheat exports and
7 drove the price up higher than it really
8 should have been. That's one of the things we
9 want to take to the WTO and be quite
10 aggressive.

11 In terms of food security for other
12 people, there should be no restrictions,
13 subsidies quite as low, but also people --
14 sometimes in some countries the prices are
15 high. I'll send that to you.

16 MR. GAINZA: Well, thank you very much.

17 MR. ALLBEE: Thank you. We are going to
18 close for lunch at this point. We will resume
19 at 1:00 o'clock. Thank you.

20 (At this time the luncheon recess was

21 taken.)

22

23

24

25

1 MR. ALLBEE: Good afternoon, and thank
2 you for coming to the listening session.
3 First panelist is David Zuckerman. David is a
4 member of the Vermont legislature,
5 (inaudible).

6 THE WITNESS: Thank you for your time.
7 As he mentioned, my name is David Zuckerman.
8 I'm a vegetable farmer as well as a state
9 representative.

10 You've heard many of the concerns that
11 people have today. Trade issues,
12 (inaudible) companies dominate the producers
13 and manufacturing jobs. For instance going
14 down to Mexico, without looking at
15 socio-economic and working conditions.

16 In the fall in Seattle we need to
17 continue to put this back (inaudible) working
18 conditions for people. Long-term economic
19 impact of opening up trade.

20 And I personally have a lot of

21 compassion and concern about genetically
22 engineered foods which, as you all know, is a
23 hot topic for a lot of western Europe in
24 particular, and I think as people in the
25 United States learn more about it, it will

1 grow as a topic here.

2 The reaction of Monsanto trying to make
3 big media was very negative. The large
4 companies have learned. And in fact much more
5 fruit is produced and (inaudible). So I would
6 just urge that you really look at genetic
7 engineering as a topic in trade. (inaudible)

8 I think taking genes from a species and
9 injecting it into an animal is fundamentally
10 (inaudible) going to a level of basic needs of
11 humans and food. There's not been scientific
12 evidence, moral or public support for that as
13 a future for our food supply. The issue is a
14 large one.

15 If you take a nut gene from some nut and
16 put it into some sort of vegetable, summer
17 squash, and all of a sudden you've got hives
18 or worse because they are allergic to nuts.
19 We have no information about the foods. What
20 are the ramifications of that, and to me, I

21 think that it's a frightening prospect.

22 And another aspect of genetic

23 engineering for me, as well, technology and

24 the corporate control of our food supply and

25 as the seed side of terminating technology is

1 developed, we have Monsanto, I believe some of
2 the (inaudible) in Canada for saving seed,
3 mutant seed, that he had an old seed, and that
4 person didn't either buy (inaudible) their
5 seed but the gene got transferred into their
6 crops during the pollination. And if their
7 market gene gets transferred into your crop,
8 why can't the technology also transfer it into
9 wild plants or neighbor's crops? And I think
10 those are very, very serious concerns.
11 (inaudible) But also the global impact of the
12 potential for terminating technology to get
13 into plant species, and then it would go
14 extinct.

15 We deal with major global issues every
16 day. And wars, famines, they have been going
17 on for centuries. And I think those are
18 tremendous global issues that can be dealt
19 with every day. But if we alter our food
20 source, there is a reason we alter it on

21 purpose or accidentally, and it may be
22 irretrievable. And so as a global issue I
23 think our food supply is at that level or a
24 greater level than many of these other issues
25 that we deal with on a global scale

1 (inaudible) have trade sanctions. They can
2 hopefully stop enough research of this whole
3 sort. But those are my comments. Thank you.

4 MR. ALLBEE: Any questions?

5 MR. SCHUMACHER: One, I think, on the
6 allergen issue is one that we are really
7 worried about. Let me assure you.
8 (inaudible) We are looking very hard at those
9 issues. (inaudible)

10 THE WITNESS: One other point of
11 comment. In relating to some of the genetic
12 engineering, corn or potatoes, BTE is a common
13 use pesticide, organic farmers can use it
14 because it's an absolute dry product, doesn't
15 have chemicals or large synthetics. Things
16 like BTE, one of the resources we have to deal
17 with pests, are going to become useless in
18 five or 10 or 15 years.

19 Monsanto admitted that when they went
20 up to get authorization (inaudible) a couple

21 years ago. And because it will build a
22 resistance to that spread. (inaudible) Labor
23 costs would be phenomenal. So the impacts on
24 growing food in the long-term may also impact
25 (inaudible) corn as well.

1 It's going to create a global condition
2 dominance because the only other remedy for
3 those pests will now be synthetic chemicals,
4 and for the foods you have to buy synthetic
5 chemicals, which is a demand, a demand for a
6 product that I don't think is fair to the
7 average person. So that's a concern.

8 MR. SCHUMACHER: Let me ask you
9 (inaudible).

10 THE WITNESS: Well for me, researching
11 on any of those issues, those doors don't
12 necessarily have to be closed. But if you
13 look at most of the food, medicine we have
14 tried to introduce to other developed
15 countries, to deal with food supply issues,
16 typically they have the long-term (inaudible).
17 We introduced (inaudible). Worlds where now
18 we're looking at the soil, (inaudible). And
19 there has been some studies in terms of
20 international (inaudible).

21 My sister worked at international
22 economics in Ethiopia studying the impacts of
23 the some of the green evolution issues and
24 whether there is an economic gain for local
25 farmers or not. Actually should be fairly

1 conclusive, so technically it's a wash, and
2 yet we are not introducing chemicals into
3 their soil. That doesn't really seem like a
4 positive for me.

5 But when you look at the possibilities
6 of increasing the yields by looking at a
7 resistant input into the saga, I would like to
8 see where that gene is coming from, and what
9 again the long-term -- I mean these things I
10 think if they are researched, they need to be
11 for 15 or 20 years before they get introduced
12 on a mass scale.

13 A lot of these things once they are put
14 out, inject the foods, it's an irretrievable
15 situation. It's a negative impact. And
16 that's where my concern is. Pharmaceuticals,
17 because we have people getting sick, they do
18 and a very quick study. And then you learn 20
19 years later we have problems with
20 (inaudible) babies. Once the genetic strains

21 are out there, you can't go out and
22 (inaudible) work milfoil or zebra mussels.
23 Once things happen in the natural world
24 out there and are released, there's no way to
25 go back. That's my concern, is in the

1 long-term impacts of these things.

2 I'm not convinced that we really can
3 have wonder foods.

4 MR. SCHUMACHER: Do a three-way
5 Internet. (Inaudible). Interesting issue.
6 Thank you for being with us.

7 MR. ALLBEE: Betsy Gentile and Anne
8 Monger.

9 THE WITNESS: Good afternoon. Can you
10 hear me?

11 MR. ALLBEE: I'm going to, before you
12 start, I'm going to give you three minutes.
13 Then I'm going to ask you to summarize.

14 THE WITNESS: This last 2 minutes and 45
15 seconds. But it's a slow speech.

16 I believe people should be able to
17 refuse food that to their best information
18 leads them to believe is poison. Or may be
19 poison.

20 That seems a pretty basic tenet. And

21 yet here we are in the United States, and
22 some very rich corporations trying to force
23 bio-engineered products on countries who
24 scientists warn them of some frightening
25 possible health risks associated with these

1 products.

2 Looking back over years of history, we
3 can find a few things that most of us will
4 agree on. When the Nazis performed medical
5 experiments on children in concentration
6 camps, the world was horrified and repelled.
7 Records show that one major German
8 corporation, Bayer, took part in these
9 experiments. One of Bayer's doctors described
10 the experience of entering a ward of terrified
11 children that he could experiment on as quote
12 "like entering paradise," unquote. He was
13 looking at it from a scientist's point of
14 view.

15 Sometimes corporations do lose their
16 way. Wealth doesn't guarantee wisdom, or even
17 common sense. And now here we are again
18 together with the chance to say no, to those
19 who want to test the products on all of us and
20 our children.

21 I ask: If government-sanctioned
22 experimentation on the unwilling population
23 was an atrocity in Nazi Germany, why isn't it
24 an atrocity here? To me, it seems all the
25 worse because we are being pressured to be the

1 experimenters, to experiment on our own
2 families, simply to make very rich
3 corporations richer.

4 Food is not just a commodity. Food is
5 holy, and I believe the small farmers of
6 Vermont and the small farmers all over the
7 world can benefit only from providing foods
8 people know is healthy. Bio-engineered foods
9 have not been proven healthy. New studies
10 every day raise more concerns.

11 People should be able to refuse food
12 that their best information leads them to
13 believe might be poison. And I believe that
14 if Dante was still writing, he would create a
15 special circle of hell for those who ask us to
16 experiment on our own children.

17 MR. ALLBEE: Thank you.

18 (Applause).

19 MR. ALLBEE: I'm going to ask if there
20 are people that didn't appear this morning,

- 21 Barbara Sanderson? Susan Armiger? Kathy
- 22 Ruhf? Susan Debrosse? Okay.
- 23 Robert Cohen and Jeanne Marion? Amanda
- 24 Sheedy and Kai Malloy.
- 25 If you could identify

1 yourself when you speak, and we will time you.

2 Three minutes we will ask you to summarize.

3 Either one can go first. Go ahead.

4 THE WITNESS: I'm a student in biology.

5 And I just recently took a course in general

6 ethics and --

7 MR. ALLBEE: Would you just identify

8 your name?

9 THE WITNESS: Amanda Sheedy. And one of

10 the things that really strikes me about the

11 bio-technology industry is that our knowledge

12 of DNA is really quite new. It's a brand new

13 science. Only discovered 10, 15 years ago.

14 And every day we discover new ways that

15 DNA is expressed. (inaudible) Proteins that

16 is what makes us who we are. This is what

17 makes plants what they are. DNA gets read,

18 transmitted into a protein which then gets --

19 has different functions within a cell, takes

20 -- I don't know, I don't want to give you a

21 whole science course here, but basically we
22 are learning every day how to get traits.
23 It's not just necessarily expressed by one
24 gene on the segment here, but rather as a
25 whole assembly of products from different

1 parts of my DNA.

2 So in a sense what I'm trying to say
3 basically is that by taking a piece of DNA
4 out of fish and putting it into a tomato we
5 are really playing -- it's a bit of a random
6 game. They can definitely test. It makes the
7 tomato redder, has longer shelf life, et
8 cetera, but what they haven't been telling us
9 or what they haven't been experimenting with
10 is what other effects that gene has on the
11 species. Because it's not necessarily -- its
12 only role is not necessarily in the trait that
13 we are trying to alter or events or whatever.

14 For example, you know, a redder tomato
15 but this very same gene might also have impact
16 on the way that the root system is working,
17 for example, or the way that the plant
18 interacts, is affected by frost. You know,
19 their understanding of genetics is limited.
20 And I feel like by playing with this thing

21 that is so, so new, and -- they are already
22 implementing it, and I just don't see the
23 logic in that.

24 They are in an experimental stage, and
25 most scientists when they talk about this I

1 have spoken to are actually doing research
2 into these genetically modified organisms are
3 shocked. Like they don't believe they should
4 be implemented yet. They are not in the stage
5 where they understand the full impact of this
6 technology, not only on our health, but on the
7 environment.

8 This is a change we are making, a
9 genetic change in those organisms. It's
10 something that can reproduce itself. What if,
11 for example, a genetic altered wheat crosses
12 with a wild form of grass? This is a kind of
13 pollution in a sense. We are calling it
14 genetic engineering. It's not just pollution
15 that's going to degrade itself. It's
16 pollution that's going to continue to
17 reproduce itself for generations and
18 generations.

19 And we have no way of seeing what the
20 impact of that is on the world. We live in a

21 complex world, and no scientist would ever
22 claim to understand the subtleties of this
23 world that we live in, the biological world.
24 And I just think that a lot of the
25 reason why this technology has been put in

1 place before our full understanding has been
2 outlined is because of the money that the
3 companies invested in it. They have invested
4 huge amounts of money in the research. I
5 guess that means I'm done, right?

6 MR. ALLBEE: Just summarize.

7 THE WITNESS: So I just feel that this
8 technology which is very much at its
9 developing -- its developmental stages has
10 great potential for good. But also great
11 potential for bad, because the people who have
12 the power to implement these technologies have
13 something very different as a role. That is
14 to make money. It's not to help the needs of
15 the people or a planet, environmentally or
16 otherwise.

17 Their goals are simply ones of making
18 capital increase and profits, et cetera, et
19 cetera. We all know the lines.

20 And I just feel that we really need to

21 take back that control of this technology or

22 else we will be in trouble.

23 MR. SCHUMACHER: One question, please.

24 You're here as a scientist. I've heard of

25 fish being crossed with tomatoes. That would

1 be fishy tomatoes. But how do you
2 differentiate the work that is done on
3 hybridization in terms of the tools hybrid
4 seeds can't retain, new every year, versus
5 what is going on in some of the (inaudible).
6 Differentiate these techniques in that sense.
7 How would you differentiate those?

8 THE WITNESS: It's actually quite a
9 clear distinction. Hybridization is a cross
10 breeding of the same species. Or oftentimes
11 of their close relatives, so that you get a
12 product that could easily happen in nature.
13 You're taking a biological process and just
14 conjoining it closely with a little helping
15 hand of humans.

16 What's happening with genetic
17 engineering is they are making crosses that
18 would never, ever happen in nature. They are
19 (inaudible) I don't know. I'm sure you can
20 all remember the orange citrus losses in

21 Florida is one. Because of frosts. When is
22 the last time you heard of this happening?

23 MR. SCHUMACHER: Last year.

24 THE WITNESS: Was it last year?

25 MR. SCHUMACHER: They are moving the

1 citrus in Florida, central Florida, they moved
2 it too far north, and the frost kept hitting
3 it.

4 THE WITNESS: I think it was an ice
5 storm last year which caused problems in the
6 citrus industry, but basically what they have
7 done in a lot of cases, they have taken a gene
8 from a fish which actually produces an
9 antifreeze, which is a common antifreeze so
10 its blood doesn't freeze. They thought great,
11 let's insert this into oranges so they are not
12 affected when the first frost comes. You
13 know. (inaudible) but the frost no longer
14 effects it the same way. Now that would never
15 ever happen under natural circumstances.

16 And we are really pushing the limits of
17 nature. And we don't -- it's never been done
18 before. And we don't fully understand the
19 effects yet. It's all that I'm saying. And I
20 don't think that we can, given the short time

21 that science has been around, fully understand
22 those effects until we give it more time to
23 develop, and under close observation.
24 You know, it's not -- I don't think it's
25 right to put this on to a population which has

1 no choice about whether or not to take this
2 experiment without asking their input.

3 THE WITNESS: Hi. I'm Kai Malloy. I'm a
4 student at the Institute for Social Ecology in
5 Plainfield. And I have many concerns with
6 bio-technology and genetically engineered
7 organisms in general.

8 I know that you all have sat through a
9 few hours of testimony from people, and I'm
10 sure that you have heard a variety of things,
11 and have done some research yourself on the
12 issue about technology and what it's about.
13 So I'm not necessarily going to talk about
14 that as much.

15 But I am going to talk about several
16 things. One of the biggest issues for me
17 concerning biotechnology is a so-called
18 terminator seed. Monsanto company has
19 developed a seed, as you probably already
20 know, that after growing for one year, the

21 seeds that are produced on certain plants are
22 sterile and cannot be replanted. Well in this
23 country a lot of farmers in some areas buy
24 seeds every year. Other farmers do not buy
25 seeds every year. They rely specifically on

1 collecting seeds from the plants from the
2 previous year and replanting those seeds.

3 Now this form of seed cultivation is
4 practiced all over the world in a lot of
5 developing countries, and a lot of countries
6 that practice agriculture, (inaudible) in this
7 country. It's more local agriculture. It's
8 more sustenance agriculture for local
9 villages, towns, and so forth.

10 Now unfortunately, these people that
11 have gone to plant seeds in hopes of
12 cultivating seeds in the next year and
13 replanting them again, are buying seeds that
14 Monsanto has sold to the third world countries
15 and are no longer able to replant their seeds
16 because they are finding that they are
17 sterile.

18 So my concern here is that not only are
19 companies taking and rearranging genes from
20 species that normally would not be combined in

21 nature, but they are selling seeds to third
22 world people that no longer reproduce from
23 year to year.
24 I just feel that this is going to have
25 drastic, drastic effects on agriculture. They

1 are no longer -- people in other countries and
2 in this country as well, they are no longer
3 able to cultivate their seeds and plant.

4 This not only raises economic questions
5 about the ability to buy seeds from year to
6 year, but it also raises ecological and
7 biological issues as well. I think that as
8 the years go by, you'll see that these plants
9 which have the terminator seeds genetically
10 engineered into them will cross-pollinate and
11 will cause problems, in other words plants
12 outside the farms these people are farming
13 using terminator genes will become exactly
14 that. Terminator plants.

15 The pollen will spread from the farms to
16 plants outside the farms, and pretty soon
17 native plants in a given area outside these
18 people's farms will no longer be able to
19 continually pollinate.

20 So in closing I would like to say that I

21 really wish that USDA and everybody here today
22 would take that into serious consideration
23 when you're considering World Trade
24 Organization and sending of seeds to other
25 countries.

1 MR. ALLBEE: Thank you. Mary Child and
2 Daniel Chard? Again, identify yourself, and
3 you'll have 3 minutes, and I will ask you to
4 summarize at that point.

5 Please identify yourself.

6 THE WITNESS: I'm Mary Child. I'm sorry
7 that you aren't on a more (inaudible).

8 MR. SCHUMACHER: Me too.

9 THE WITNESS: It doesn't take much.
10 I'll begin.

11 As the purpose of this session is to
12 solicit public comment on agricultural trade
13 priorities, I will address this in relation to
14 our agricultural policy in general, and more
15 specifically, to remarks made by Secretary
16 Glickman last Tuesday before the National
17 Press Club.

18 It has been clear to me for some time
19 that we no longer have government in America
20 for the people, by the people, and of the

21 people. In general what we have today in
22 America is government for corporations.
23 Secretary Glickman maintains that the
24 USDA is taking an arms length regulatory
25 stance when it comes to biotechnology. This

1 is another way of stating that the USDA will
2 not do anything that will impede the
3 development of biotechnology or compromise
4 corporate interest and control.

5 This non action is in effect an action.
6 It is a statement to all citizens of all
7 countries in the world that the U.S.
8 government's first line of responsibilities is
9 to its corporations. This is made even more
10 clear because the corporations are well down
11 the road of development and marketing
12 genetically modified products. The very
13 subjects that we are discussing here today,
14 consumer concerns, fairness to farmers,
15 corporate infringement on fourth amendment and
16 constitutional rights of individual
17 landowners, the risk of public health, safety
18 and environment, the unscrupulous tactics
19 of western corporations worldwide, are the
20 very kinds of issues that a government acting

21 for the people would be highly concerned with
22 addressing; not sidestepping in favor of
23 pushing through the corporate agenda at home
24 and within the rest of world.
25 One issue that is being sidestepped is

1 the loss of the small farm and the undermining
2 of rural communities. What is the true cost
3 of that loss to our society? One of the
4 corporations involved in highly unscrupulous
5 practices that are undermining farming
6 communities is Monsanto. As a condition of
7 for roundup ready soybean seeds, farmers sign
8 a contract that allows for an unannounced
9 search and seizure on their property by a
10 corporate entity for a full three years after
11 the purchase of the seeds.

12 Monsanto is currently suing some 475
13 farmers for violation of contract agreements.
14 Monsanto has sponsored radio endorsements in
15 Illinois during the fall soybean harvests that
16 actually named farmers who had been caught
17 saving seed.

18 They maintain a widely advertised toll
19 free telephone tip line for neighbors to
20 report each other for suspected violations of

21 seed contracts. Why is the corporation about
22 to enter into a contract that grossly
23 infringes on an individual's constitutional
24 rights guaranteed by the fourth
25 amendment? Where, I ask you, is the

1 government for the people?

2 Another issue that's being sidestepped
3 in the name of taking an arms length
4 regulatory stance is that of people wanting to
5 know if they are eating food that contains
6 genetically modified organisms. Why do we
7 have to demand to know what is in our foods?

8 What insults me the most is I'm supposed
9 to believe that this is all in the name of the
10 USDA not wanting to regulate, when it's clear
11 that what matters here is the corporate
12 interests and the corporate bottom line.

13 There is a pattern here in the United
14 States that is being spread to the rest of the
15 world. In the past as well as most recent
16 history, proliferation of corporate
17 agriculture and extraction based industry has
18 resulted in environmental degradation and loss
19 of small farms as people are forced to seek
20 employment and relocate to more industrialized

21 areas.

22 We don't have to look very far to see
23 this pattern played out as it has been in the
24 coal industry and the unchecked growth of
25 factory poultry production.

1 Development initiatives by large western
2 corporations in many third world countries
3 increasingly result in the creation of
4 extraction based industry, and along with it
5 an increasing national debt. The policies and
6 implementation of corporate agriculture are
7 displacing indigenous people from the land and
8 farms, breaking up families and forcing them
9 into cities to look for work.

10 MR. ALLBEE: Please summarize.

11 THE WITNESS: Our government and the
12 World Trade Organization has shown
13 considerable enthusiasm for leveling the
14 playing field in the interest of international
15 corporations. Can you begin to demonstrate
16 some enthusiasm for leveling the playing field
17 in the interest of local people, economies,
18 and ecosystems? Have you totally redefined
19 the concept of quality of life we live --

20 MR. ALLBEE: Please, please --

21 THE WITNESS: -- with a dollar sign and

22 the corporate bottom line?

23 MR. ALLBEE: Thank you.

24 (Applause).

25 MS. SCHUMACHER: Secretary Glickman did

1 speak July 13 at a national press conference.
2 I was very proud of the speech he made. I'll
3 put in quotes --

4 THE WITNESS: I find the speech was
5 totally muddled.

6 MR. SCHUMACHER: Let me read a couple of
7 quotations from the speech that I think we all
8 know were said. (inaudible).
9 Biotechnology developers must keep farmers
10 informed of the latest trends not just
11 research, but in the marketplace as well.
12 Contracts with farmers need to be fair, not
13 result in a system that reduces to mere
14 (inaudible) mistrust between farmers and
15 companies. And I think that addresses --

16 THE WITNESS: I think it's already
17 happened. My point is that it's a past tense.
18 There has already been mistrust involved by
19 allowing Monsanto to go forward with these
20 contracts. It's already happening. It's past

21 tense.

22 MR. SCHUMACHER: I think the Secretary

23 --

24 THE WITNESS: It's not being addressed.

25 It's empty words. (inaudible).

1 MR. SCHUMACHER: This is what the
2 secretary called on for the company to do.

3 And your comments --

4 THE WITNESS: With all due respect, it's
5 after the fact. A government for the people
6 would not be allowing this to happen. Where
7 we have to go back and push you to say why.
8 This is undermining the fabric of this
9 society.

10 (Applause).

11 MR. ALLBEE: We'll try to proceed so
12 others can speak.

13 MR. SCHUMACHER: Thank you.

14 MR. ALLBEE: Andrea DelMoral and Brooke
15 Lehman. Again please identify yourselves.
16 Three minutes after which you'll be asked to
17 summarize. Will you identify yourselves?

18 THE WITNESS: Can I ask a question
19 first? Mr. State, who are you? Who do you
20 represent?

21 MR. ACETO: State Department. I'm

22 sorry. We were introduced earlier today.

23 THE WITNESS: Okay. Vermont is not --

24 but that's not the State Department, that's

25 something else.

1 MR. ACETO: That's the State Department
2 in Washington.

3 THE WITNESS: Okay. Great. With all
4 due respect, I would like to speak to the
5 audience. I think that --

6 MR. ALLBEE: Would you identify
7 yourself?

8 THE WITNESS: Andrea DelMoral.
9 (inaudible). The agricultural policy the WTO
10 practices is destructive to the class of
11 citizens of the world. (inaudible) in the
12 community, in a country's GNP, gross national
13 product, or a company's annual report, but it
14 has value. It cannot be measured in today's
15 economic terms. (inaudible) Trade
16 organizations don't consider the aspects of
17 the economy that affect us as human beings.
18 The only elements of life that matter there is
19 a corporate buck.

20 On July 5 David (inaudible) director in

21 charge of members of the WTO and formerly the
22 GATT have made a major contribution to the
23 eradication of the earth.

24 MR. ALLBEE: Could you just turn
25 sideways so both people can see you? You can

1 address both at the same time.

2 THE WITNESS: I'll start over with this
3 quote. It's a good one.

4 MR. ALLBEE: Would you just turn toward
5 --

6 THE WITNESS: Members of the WTO and
7 formerly the GATT have made a major
8 contribution to the eradication of poverty
9 through their ever moving barriers to trade.
10 If poverty is measured in terms of the GNP,
11 then I suppose David Hartman is right. It's
12 too bad that GNP is generated by the IMF and
13 world bank offering them money on the chance
14 (inaudible) and dump chemicals on their
15 fields. These practices have
16 (inaudible) millions of people all over the
17 world including here in our own country of
18 self sustenance.

19 We are dependent now on food
20 distributors to bring us our more basic

21 necessities. Contractors who in the glorious
22 name of free trade manipulate countries
23 (inaudible) all this supposed wealth coming
24 into a country goes to paying off interest and
25 buying expensive imported food, both expenses

1 that were non-existent before. Free trade
2 (inaudible) and puts it in the hands of
3 transnational corporations. The WTO is an
4 organization made up of these influences. Dan
5 Glickman, the head of this fine regulatory
6 body, the USDA, told the press on July 13 in
7 his so coherent speech, (inaudible) has
8 enormous potential to help combat hunger.
9 Biotechnology will not feed the world. Even
10 biotech companies including Monsanto are not
11 foolish enough to claim this any more. They
12 have already removed it from their web site.

13 The technology is used in a system that
14 has more products growing for countries where
15 labor is cheap, unorganized, expendable,
16 exploitable and plentiful and then where
17 environmental laws are also (inaudible) sold
18 to north America and Europe at a high price.
19 No matter the monetary cost benefits, the
20 social expense is devastating. History shows

21 us that as control over local interest moves
22 outside a community, that community begins to
23 deteriorate. Instead of having food --

24 MR. ALLBEE: Will you conclude?

25 THE WITNESS: I'll skip that because you

1 guys know that the solution is to move towards
2 locally running things and distributing. If
3 we are going to (inaudible) the WTO in any
4 form is contradiction to the most of humanity.
5 No amount of lobbying and testifying or letter
6 writing is going to result in a good WTO or
7 (inaudible) in any form. The corporations
8 rule, governments police, and people are
9 imprisoned by the structures. We can't let
10 the trade organizations or any type of
11 hierarchy fix our problems. We have got to
12 start looking to each other.
13 (applause).

14 MR. ALLBEE: I'm going to ask everybody
15 -- we have a Listening Board up here.

16 THE WITNESS: I think we have a larger
17 Listening Board in the audience with all due
18 respect.

19 MR. ALLBEE: With all due respect, I
20 will ask you to sit down and testify --

21 MR. SCHUMACHER: That's okay.

22 THE WITNESS: I'll just stand here.

23 MR. ALLBEE: I want the panel to see

24 you, too.

25 THE WITNESS: Okay. My name is Brooke

1 Lehman. Actually, do I need to use the mike?

2 MR. ALLBEE: Yes.

3 THE WITNESS: I'm here from New York
4 City, and I'm here today to explain to you why
5 it is that the World Trade Organization would
6 disregard all of our testimony.

7 We have all come to Burlington to
8 deliver testimony to two institutions which
9 have demonstrated time and time again, their
10 blatant disregard for the health of individual
11 citizens and the environment. The USDA's
12 clearly in the pocket of transnational
13 corporations as demonstrated so beautifully
14 for all of us last year with the inclusion of
15 GMOs, radiation, and toxic sludge in its
16 proposed organic standards.

17 Many of us here were on the receiving
18 end of that bureaucratic slap in the face.
19 However, the World Trade Organization is by
20 far the more frightful institution, which is

21 why it is so important to me that I explain to
22 you why it is that the WTO will disregard all
23 of our testimony.

24 Let it be known that the World Trade
25 Organization will not represent us for the

1 simple reason that it was never intended to do
2 so. The WTO was formed in 1994 as a non-
3 democratic institution to insure and enforce
4 free trade at the explicit expense of human
5 rights, health, labor and the environment. It
6 is essentially a service organization working
7 on behalf of transnational corporations.

8 WTO meetings are held behind closed
9 doors without any citizen review. The sole
10 purpose of WTO is to provide transnational
11 corporations with the means to enforce nation
12 states to repeal all regulations which were
13 deemed in the violation of free trade.

14 Since its inception, the WTO has force
15 Guatemala to stop warning mothers of the
16 dangers of breast milk substitute. It has put
17 an end to dolphin-free shrimp and tuna
18 campaigns. It has forced countries to repeal
19 their ban on the known carcinogen, asbestos.
20 And is in the process of forcing bovine growth

21 hormone down the throat of France, all in the
22 name of corporate profits.

23 By the way, the apartheid divestment
24 movement of the 80s would be illegal today.

25 The WTO is the product of capitalism.

1 However it is not the product of capitalism
2 run awry, but rather the capitalism as it was
3 intended to be. Inherent in capitalism is a
4 propensity for the greater accumulation of
5 wealth in fewer and fewer hands.

6 For capitalism not to do so, would be for it
7 to negate itself.

8 Many argue that our best offense against
9 global capitalism is to fortify our nation
10 state, but they are two sides of the same
11 coin.

12 We are in effect witnessing our American
13 public being dismantled by capitalism.

14 However it is precisely the institution of
15 capitalism which our state is designed to
16 protect. The state therefore has ushered in
17 and continues to usher in its own demise, and
18 to call for a strengthening of state against
19 capital is oxymoronical.

20 What is going on here today is a sad

21 attempt on the parts of the USDA and the
22 World Trade Organization to make the American
23 public feel that they are being heard. And to
24 this, all I can say is WTO, USDA you grossly
25 underestimate us if you think that we are

1 stupid enough to conflate pleading upon
2 largely deaf ears with representation.

3 MR. GRAVES: Ron, just a couple
4 comments. First of all as Commissioner of
5 Agriculture, I am pleased to have the
6 opportunity to host this listening session
7 here. And I can tell you that your point is
8 being well heard and recorded, and I can tell
9 you as a personal friend under Secretary
10 Schumacher that he will take your point of
11 view back to USDA, U.S. Trade
12 Representative. That he is here, and will
13 certainly take that point of view back as
14 well.

15 I would like to try to close, if we can,
16 on a positive note. This is not an
17 opportunity for a rally. I would like your
18 remarks addressed through your U.S.
19 representatives that are here so they can be
20 appropriately put on the record. I can assure

21 you as the Commissioner of Agriculture in
22 Vermont that is just the beginning of this
23 very important debate here; that I would be
24 happy to talk with you about at some point in
25 time in the future.

1 But I would like to ask you to address
2 your remarks to the Undersecretary and the
3 representatives that we have here for the
4 remainder of this meeting. Thank you.

5 MR. ALLBEE: Thank you. Thank you.
6 Jesse Purcell and Shawn Smolinski. Please
7 identify yourselves, and you have three
8 minutes, at which time I'll ask you to
9 summarize your statements. Thank you.

10 THE WITNESS: Hello.

11 MR. ALLBEE: Your name?

12 THE WITNESS: My name is Shawn
13 Smolinski. Good afternoon. I'm from northern
14 Michigan, and I'm also a student at the
15 Institute for Social Ecology in Plainfield,
16 Vermont.

17 The comments I have today address why
18 U.S. Citizens should pressure the U.S.
19 government to back out of WTO. The World
20 Trade Organization institution

21 institutionalizes trade policies that overrule
22 any federal, state and local laws which may
23 impede global trade. According to Ralph Nader
24 and Lori Wallach, as the text says, each
25 member nation shall ensure the conformity of

1 its laws, regulations, and administrative
2 procedures with its obligation as provided in
3 the annexed agreement. So U.S. law and laws
4 of every other nation must conform to WTO and
5 each other." Also all future laws and
6 regulations are automatically submitted to
7 these restrictions as well.

8 This provides for a particularly
9 disheartening outlook for the future of a
10 radical ecological movement. This movement
11 towards a world where ecologically sound and
12 community oriented technologies and economic
13 practices such as small scale organic
14 agriculture is rendered obsolete in the face
15 of transnational corporate greed for expanded
16 profits.

17 The WTO trade policies imply a
18 transitive process whereby the WTO undermines
19 federal trade policies assuring states the
20 right to provide economic safeguards, ensuring

21 fair opportunities for local businesses and
22 local economies.

23 It becomes especially disturbing when
24 you consider the implications for people of
25 the so-called third world countries of Africa

1 and Latin America who actually comprise over
2 2/3 of the world's population. These people
3 who have financial resources to resist the
4 ecocidal and genocidal implications this
5 globalized economy will have.

6 According to Saturday's New York Times,
7 just the other day, on July 16 President
8 Clinton signed a bill equivalent to NAFTA for
9 sub-saharan Africa which had been quietly
10 percolating through Congress for the past six
11 months.

12 My heart sinks at the thought of it.
13 Yet beyond this sadness is anger towards those
14 who represent us, U.S. citizens, in these
15 destructive, shortsighted, capitalist
16 measures.

17 Knowing that I can't be alone in my
18 indignation and without faith in our elected
19 representatives, I implore my fellow citizens
20 to use the invaluable energy this anger

21 provides to help organize ourselves from the
22 bottom out. And let us establish small,
23 locally-based, community forums for discussing
24 these issues so we may then act against them
25 in a coherent manner. Organized in this way

1 as many small bodies of resistance to
2 oppressive capitalist global economy, let us
3 network, confederate, and stand together in
4 demand without compromise of freedom to live
5 in a democratic society based on cooperation
6 and respect.

7 Thank you for your time.

8 MR. ALLBEE: Thank you.

9 (applause).

10 MR. ALLBEE: Identify yourself, and you
11 have three minutes.

12 THE WITNESS: Hello. Good afternoon.
13 My name is Jesse Purcell. I live in Central
14 Vermont. Why are we here? Are we here
15 because we truly believe the USDA or the World
16 Trade Organization, for that matter, genuinely
17 care about our well being? Or are we here out
18 of desperation, out of hope for any chance
19 that these institutions will take pity on us,
20 and out of the kindness of their hearts put

21 aside interests of global capitalism for the

22 betterment of humanity?

23 If we have learned anything in the past

24 200 years is that capitalism is guided by

25 growth and growth only. Anything that limits

1 its ability to grow threatens the very fabric
2 on which it is based.

3 Throughout its history the state has
4 done nothing but strengthen its economic
5 system through subsidies, legislation and
6 military coercion. The Listening Session is
7 nothing more than an illusion of democracy,
8 presented by an institution that's clearly in
9 the pockets of large corporations.

10 The New England town meeting once formed
11 the basis of the democratic society. The
12 representative democracy that was instituted
13 by the American Constitution centralized that
14 power and created top down republic. The
15 globalization of capitalism and the creation
16 of international bodies like the World Trade
17 Organization form the next phase in the
18 centralization of decision making power.

19 We have an ethical obligation to
20 confront these institutions with domination

21 and take the power back to our own hands. I
22 am not suggesting that we go back to a golden
23 era of innocence and purity, for that would be
24 equally as foolish. Instead we must learn
25 from the rich social history of which we are

1 part, and create institutionalized forms of
2 self governance.

3 Instead of pleading with the USDA to
4 dole out charity to the humble constituency,
5 we need to revive town meeting as the most
6 fundamental form of self governance. These
7 town meetings are the most democratic
8 institutions we know in the northeast. This
9 presents itself as a seed for democracy that
10 must be nourished and enhanced to create a
11 rational non-hierarchical society.

12 Ask yourselves this: Who makes the
13 fundamental decisions that govern our every
14 day lives? Whether it is professional
15 politicians, elected on corporate donations,
16 or a handful of corporate economists meeting
17 behind closed doors with some of the largest
18 multinationals in the world, their aims are
19 the same.

20 Nothing threatens these institutions

21 more than local self governance combined with
22 a moral economy based on reciprocity and not
23 competition.

24 Time and time again, activists across
25 the board fail to deal with fundamental issues

1 of decision making power. If we're going to
2 change the structure that perpetuates
3 environmental, economic, and social problems,
4 we must be willing to take the power to govern
5 in our own hands.

6 Decisions must be a product of
7 discussion. And who is involved in those
8 discussions dictates who benefits from them.
9 If we are not invited to discuss the policies
10 of the World Trade Organization, one and all,
11 around the world, then I say we must create
12 discussion of our own, one and all around the
13 world, in our local communities. Thank you.
14 (applause).

15 MR. ALLBEE: Jennifer Hancewicz and
16 Jonathan Brown.

17 THE WITNESS: I just wanted to make one
18 comment if I could. When you talked to that
19 farmer who started out the session this
20 afternoon, you talked to that farmer who

21 started the session this afternoon --

22 MR. SCHUMACHER: I can't hear you.

23 THE WITNESS: About the African nematode
24 problem.

25 MR. SCHUMACHER: Nematode.

1 THE WITNESS: He said he wanted to open
2 up a dialogue among you and the USDA, and all
3 the time I'm thinking what I didn't hear you
4 say which really concerns me is you didn't
5 mention communication with the actual farmers
6 of Africa. West Africa. So to me that would
7 be the first step is to talk to those farmers
8 over there. You want to solve a problem for
9 them, you're not going to solve the problem
10 for them without talking to them first.

11 MR. SCHUMACHER: I was in Ghana a few
12 weeks ago. We did talk to farmers
13 (inaudible) nematode the folks in (inaudible).
14 The dialogue with our African-American
15 colleagues who are working in west Africa in
16 the public sector. We are hearing a lot about
17 certain countries. I think one of the issues
18 that we want to take up is how do we, do the
19 public sector research in these new
20 technologies that benefit small farmers here

21 and farmers who desperately (inaudible) food
22 supply. But we would be pleased to talk about
23 that even more.

24 I think it's going to get a lot of
25 attention in the future as further research on

1 dry land crops, sorghum and other crops, fruit
2 crops, and how should that research be done.
3 It's a very rich and diverse debate, but I
4 think it's something we need to have. And one
5 of the things Norman Rolot fortunately he was
6 (inaudible) until '84, he did win the Nobel
7 Peace Prize not the Science Prize. The Nobel
8 Peace Prize. He did research for (inaudible)
9 wheat in developing countries. He continues
10 to be very active in this area to make sure
11 some of these new research technologies are
12 carefully looked at, and also benefit all
13 farmers in all parts of the worlds. So I'll
14 make sure I do get -- (inaudible). I'll put
15 it on the web site. You can look at it.

16 MR. ALLBEE: Jennifer Hancewicz and
17 Joseph Brown. Again identify yourself. Three
18 minutes, ask you to summarize.

19 THE WITNESS: Thanks for the session.
20 My name is Joshua Brown. I represent the

21 Northeast Organic Farming Association here in
22 Vermont. And I'm pleased to be able to be
23 here and listen to the range of debate about
24 these issues. As an organization, we are
25 concerned what the impacts of corporate trade

1 are on Vermont certified organic farmers. I
2 think we all know that's an extremely
3 complicated question, but that there are some
4 troubled future possibilities for Vermont
5 farmers who are trying to remain certified
6 organic. And I hope that this will be part of
7 the dialogue as trade discussions continue.

8 As I was coming up here I saw a bumper
9 sticker that's often seen around that quotes
10 Einstein saying we can not simultaneously
11 prepare for war and peace. And I was struck
12 how it resonated with the recent conference I
13 was at the USDA in Washington in which
14 community food security was being discussed.
15 It was a very productive conference. I was
16 encouraged by the fact that USDA is working on
17 local food systems, and promoting the idea
18 that local food systems and community food
19 security has a lot to do with each other.

20 And yet it's clear that the minuscule

21 budget for food security is completely
22 overshadowed by other kinds of priorities in
23 the USDA. And I'm hopeful that that budget
24 will continue to increase as the USDA looks at
25 its priorities, and that of course has an

1 impact on trade policies as well. (inaudible)
2 then the logical response to that is a very
3 conservative one as far as local trade issues
4 go.

5 I don't want to specifically say what
6 the policy is. I think we are still looking
7 at this question. One I think that I hope you
8 will think about as you continue this, is the
9 one that was brought up earlier by David
10 Zuckerman about genetic drift. In other words
11 what's happening -- what happens in certified
12 organic fields where genetically modified
13 organisms and other kinds of genetically
14 modified activity affects the crop that's
15 certified? Where is the liability risk in
16 those issues, and what redress do certified
17 farmers have in this situation in which a
18 genetically modified product compromises the
19 organic nature of that food? Thank you.

20 MR. SCHUMACHER: Great.

21 MR. ALLBEE: Thank you. Sarah Desantes
22 and Suzanna Jones.
23 You're just by yourself. After three
24 minutes I'll ask you to summarize.
25 THE WITNESS: Thank you. My name is

1 Sarah Desantes. I'm an organic vegetable
2 farmer here in Vermont. And I also work with
3 the (inaudible). What I'm coming here to do
4 is ask you all each a favor. Looking at you
5 four men, you have a lot of power in this
6 world. And me living in this so-called
7 democratic nation, I really don't have much
8 power. I have the power of my words, and I
9 try to do activism. I do activism.
10 (inaudible) But sometimes I don't see it
11 unfolds either way. I would love it to. So
12 what I'm asking you is to really feel the
13 consequences that you have on your shoulders.
14 You're making decisions for the whole
15 world, the World Trade Organization, and you
16 work for the USDA. And I really want you to
17 think about the implications of the decisions
18 that you make. Passing international trade
19 policies, and allowing genetic engineering and
20 really feeling, really feeling what effect

21 that has on the earth and on human populations
22 throughout the world. What I'm asking you to
23 do is to take a break from your lives at some
24 point and find a quiet space and really sit
25 down, away from your family, and really sit

1 down and concentrate and feel what the earth
2 and what these world populations are going
3 through. And use that to help make your
4 discussion at some point. And try to set
5 aside the tendencies that might be irking your
6 mind and really just think about the
7 environment, about social issues. So that's
8 all I wanted to say.

9 MR. ALLBEE: Thank you.

10 MR. CUMMINGS: May I just ask -- have a
11 moment of clarification. It seems that some
12 of the speakers perhaps are confusing the U.S.
13 Trade Representative's office with the WGO.
14 And we are not one in the same. The USTR is
15 part of the U.S. government and we are -- the
16 U.S. government is a member of the WGO. The
17 two are not the same. I am, however -- the
18 two gentlemen to my left are part of the U.S.
19 government. And we make the (inaudible) work
20 with us and not the other way around. I just

21 wanted to clarify that.

22 MR. SCHUMACHER: Which town are you

23 from?

24 THE WITNESS: Burlington.

25 MR. SCHUMACHER: Burlington. You're

1 farming down in the intervale?

2 THE WITNESS: Well I work at Jericho.

3 THE WITNESS: My name is Suzanna Jones,

4 and I'm an organic vegetable grower and a

5 mother. I live in Walden. I'm here today,

6 sorry Leon, I'm pissed. I am not going to be

7 positive.

8 I'm here because I'm angry. I'm angry

9 because the World Trade Organization as you

10 can tell everybody here is setting -- I

11 apologize for being redundant. It's a farce.

12 The World Trade Organization was formed as a

13 shield to protect corporate interests and

14 corporate profits. And to promote corporate

15 domination all over the world. I mean in --

16 there has been a lot of talk this morning, for

17 example, about things like, you know, the

18 genetic drift, cross pollination, I mean isn't

19 that (inaudible) and then we end up getting

20 into a discussion about labeling? Come on.

21 This is ridiculous. We should ban it.

22 And here's my input. I would like to

23 see you put this into action. Ban genetic

24 engineering, then terminate the corporate

25 charters of Monsanto, Dupont, Dow and the rest

1 of them. Then terminate the World Trade
2 Organization, the USDA, and then let's get
3 back to producing food locally and organically
4 amongst each other and bring some life back to
5 the planet. Thanks.

6 (Applause)

7 MR. ALLBEE: Clara Carter and Sherry
8 Goshen. Again, identify yourself and after
9 three minutes we will ask you to summarize.

10 THE WITNESS: My name is Sherry Goshen.
11 I didn't really expect to testify but I
12 decided to. I guess the main question I'm
13 wondering people aren't asking more strongly
14 is why we even put up with the decision that
15 there is a centralized organization that can
16 tell us how we farm, how we eat, and how we
17 live.

18 I don't understand why at this point.
19 We have seen the destruction that's been on
20 the farms and the United States and the USDA

21 and the state agriculture department's
22 centralizing agriculture with subsidies, and
23 other USDA basic packages that are offered to
24 encourage expansion and the lending policies
25 encourage expansion, consolidation.

1 And we never look at what's, like
2 Suzanne said, we never look at the
3 cancellation of the corporate charters at a
4 local level. Instead at the state level and
5 at the USDA, basically work with the
6 corporations. And then they pretend that they
7 don't. USDA's a partnership with Monsanto or
8 Delta Minor, whatever you want to call it, for
9 developing the terminator gene.

10 And it's just ridiculous to think that
11 we are going to let the fox guard the hen
12 house, and that's basically what we are doing.
13 We can't centralize our government and expect
14 people are going to have more say.

15 There is an old American Indian
16 tradition that believed that you could only
17 know 300 people. If one of the communities
18 got 300 people, they would separate. And I
19 believe that's true.

20 When people get into groups that are too

21 large, you lose control and you have no
22 ability to say anything. And that's what they
23 use in these groups. They have their closed
24 door meetings with their 300 people and they
25 never bother with the rest of us.

1 MR. ALLBEE: Thank you. Is there anyone
2 here that signed up either for the morning or
3 afternoon that hasn't come forward? Okay.
4 I'm going to ask for remarks from the
5 panelists.

6 Mr. Graves, if you want to start.

7 MR. GRAVES: Thank you, Ron. And I
8 would like to begin again by thanking Gus
9 Schumacher and the Secretary of USDA for
10 affording the Vermont Department of
11 Agriculture the opportunity to host this
12 public listening session regarding the future
13 scale of WTO trade organizations. I
14 appreciate the testimony that we have had
15 today.

16 We have certainly had a diverse point of
17 view, which I'm sure will become part of the
18 official record along with the other testimony
19 that has been taken at the other 11 listening
20 sessions around the country.

21 I know that some of the issues had been
22 expressed here today panelists have heard and
23 will be incorporated into the discussion as we
24 head into the next round. I want to thank
25 Paul Aceto from the State Department for

1 coming here as well and Bob Cummings from USTR
2 for coming here and providing you with this
3 opportunity for testimony and very important
4 input into this very important debate.

5 And I again, as I said earlier, as the
6 Commissioner of Agriculture, I welcome the
7 opportunity to continue these discussions here
8 at the state and regional level as we go
9 forward and attempt to put good public policy
10 together to these very important issues.
11 Thank you very much.

12 MR. ALLBEE: Secretary Schumacher.

13 MR. SCHUMACHER: All of you -- I have
14 been to a number of these sessions around the
15 countryside. Many states. It's like a
16 democracy. We have not done this before. I
17 must say since I have been up here
18 (inaudible) but we are listening. We are
19 listening to the south. We are listening to
20 the west. Listening in Montana. Listening in

21 Memphis, Indiana, Iowa, listening to people
22 from the grass roots. Passion of people.
23 People care about family farming. You have
24 passion today. What we try to do unlike
25 (inaudible) is that leave Washington. Arrive

1 up here, visit at least all day, yesterday
2 went to dairy farmers and three apple growers
3 in this area. These aren't wealthy.

4 (inaudible) Agriculture in American.

5 We have seen (inaudible) to get to a
6 local airport. Any airport is just packed, so
7 much prosperity, but it is not in rural
8 America.

9 And we are facing a very severe problem
10 in rural America because I have been hearing
11 it throughout the countryside. I hear what
12 you have to say. It is being recorded. We
13 have a court reporter here recording the
14 comments.

15 You have taken time from your farms to
16 visit with us today. Taken time from other
17 occupations. You're compassionate. We have
18 listened. We have heard in the way other
19 farmers in other parts of the country in
20 different ways, some feel very strongly the

21 European union export subsidies is so
22 distorted that is going on. So far we have
23 heard about Japan, China, Korea, Mexico,
24 Canada, playing by fair rules is disturbed.
25 We heard from you today somewhat

1 differently in terms of your concerns. They
2 are concerns about some trade issues
3 (inaudible) it's been recorded, and certainly
4 Bob will share this.

5 I'm sure Mr. Glickman -- Mr. Glickman
6 did on July 13 speak I think very carefully
7 and very heartfelt on the issue of
8 biotechnology. Calling it new century, new
9 challenges, how will a scientist and consumers
10 learn to live by technology and what happens
11 if they don't. That's the topic of the
12 speech. It's on the Internet.

13 Certainly welcome any thoughts you have.
14 Those are the comments here we are taking back
15 as well.

16 So I appreciate the farmers of Vermont
17 coming out today since 8 o'clock this morning
18 to 2:30 to counsel us in Washington. We want
19 to thank Steve and Leon and others for putting
20 this together. (Inaudible). A lot going on.

21 I'm grateful for you coming out.

22 Ron, thank you for bearing with us all

23 today and keeping the session on track. Thank

24 you all for coming out and counseling us on

25 your views, how the U.S. government should

1 approach the next round of WTO starting in
2 Seattle, November 30. Thank you very much.

3 MR. CUMMINGS: I would like just to
4 give my thanks to the State of Vermont and for
5 the people who put this session together. I
6 well know how time intensive it is and
7 resources that go into it.

8 Let me say that I have been to other
9 listening sessions and we will be -- continue
10 to listen to groups as we proceed to
11 negotiations. I particularly today appreciate
12 the sincerity and courage of some of the
13 speakers to come up. I know for some it's a
14 difficult thing.

15 I also appreciate the sincerity on
16 issues of biotechnology because it's not an
17 issue we have experienced before in
18 international (inaudible). And it's a topic
19 that's in flux.

20 And so I appreciate again hearing from

21 you all. I'll go back to Washington with this
22 experience, and we are also going to continue
23 talking to people. We don't just do it out of
24 Washington. I'm meeting more and more
25 frequently these days as we get closer to

1 Seattle ministerial with consumer groups,
2 environmental groups, and we also will
3 continue to meet with groups from (inaudible)
4 that's our job to hear all sides of the issue.

5 And once again, thanks for the
6 opportunity to provide (inaudible) thanks very
7 much.

8 MR. ALLBEE: Mr. Aceto.

9 MR. ACETO: I was just struck one of the
10 things you get used to fairly quickly in the
11 foreign service when you go overseas to serve
12 is that in other countries people immediately
13 suspect you're a CIA agent. I had a bit of
14 that feeling today with some of the comments.
15 And there was obviously distrust of the WTO.
16 I hope we can try and work on that. To
17 explain and to listen as well to the concerns
18 that we don't always hear very often in
19 Washington.

20 I do want to say though that I heard in

21 some of the statements today I guess a sense
22 that people in Washington and regulators are
23 willing to risk U.S. citizens for the benefit
24 of corporations. I just have to tell you in
25 my experience of working on this, I don't

1 find that to be the case. You may disagree
2 with some of the policies, but I do think that
3 people are trying to do the best they can and
4 I do think that people are (inaudible).

5 I'm going to thank you on the staff who
6 put this together, and I thank everyone for
7 taking the time to come out.

8 MR. ALLBEE: Thank you all for coming to
9 Vermont. Thank you.

10 MEMBER OF THE PUBLIC: I thought that
11 this was an open forum session. And I wanted
12 to ask a question about the Seattle
13 ministerial.

14 MR. ALLBEE: There is no open question.

15 MEMBER OF THE PUBLIC: Okay. I wanted
16 to find out if there is a forum in Seattle for
17 people to have any kind of say. Because
18 that's where I'm from, and I feel really
19 strongly that you're on my home turf when
20 you're there. And is there that forum in the

21 WTO --

22 MR. CUMMINGS: I think the answer, and I

23 say I think the answer is most definitely yes.

24 But I just don't know the details. I'm not

25 involved in the nitty-gritty. If you can

1 leave me somewhere where I can get back in
2 touch with you, a phone number or an E-mail
3 address, when I get back to Washington I can
4 forward you some information.

5 MEMBER OF THE PUBLIC: Is there a way to
6 make that public information?

7 MR. CUMMINGS: Yeah. What I'm going to
8 forward back to you, for example, is a Web
9 site -- for the WTO Web site from Seattle and
10 a couple of different ones.

11 MEMBER OF THE PUBLIC: The next thing
12 though is --

13 MR. CUMMINGS: It is an open process.
14 And I simply am not involved in that side of
15 it, so I can't give you specifics. But give
16 me some way that I can get in touch with you.

17 MEMBER OF THE PUBLIC: I know the WTO
18 web site. Are you telling me there is a space
19 within the WTO for us to participate?

20 MR. CUMMINGS: I need to go back and

21 check with those who are in it day-to-day and
22 get back to you. Which I will.

23 MEMBER OF THE PUBLIC: On the schedule
24 here it says 3:00 p.m. open discussion among
25 negotiators, panelists and speakers.

1 MR. ALLBEE: I have 3:00 p.m. closing
2 remarks.

3 MEMBER OF THE PUBLIC: On this schedule
4 it says 4:00 p.m. closing statement by
5 Commissioner Leon Graves. It is now 2:30.

6 MR. ALLBEE: I believe that -- I don't
7 know where you got that schedule.

8 MEMBER OF THE PUBLIC: It was sent to me
9 in the mail.

10 MR. ALLBEE: That was the preliminary
11 schedule put together by the Agriculture
12 Department before we knew what the travel
13 schedules were for people here.

14 MEMBER OF THE PUBLIC: So we are no
15 longer interested in having a discussion?

16 MR. ALLBEE: You've all had a chance to
17 present your point of view and talk with the
18 Secretary, so it's over.

19 MEMBER OF THE PUBLIC: I'm severely
20 disappointed.

21 MR. ALLBEE: You can talk to the --

22 MEMBER OF THE PUBLIC: I picked this

23 schedule up on the table today. I mean I

24 just, you know, it says 3:00 p.m. open

25 discussion. So it's been canceled?

1 MR. ALLBEE: I'm telling you on the
2 schedule that was preliminary.

3 MEMBER OF THE PUBLIC: That was on your
4 table today right out there.

5 MR. ALLBEE: I told you it was a
6 preliminary schedule.

7 (Whereupon, the listening session was
8 adjourned at 2:40 p.m.)

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